

**FOCUSED SOURCE SELECTION
AT THE U.S. NUCLEAR REGULATORY COMMISSION**

**The NRC tests an alternative source selection process
by Susan B. Hopkins**

Why is it called “Focused Source Selection?”

All laboratories are testing grounds, and the U.S. Nuclear Regulatory Commission’s (NRC) award-winning Procurement Reinvention Laboratory is no exception. Consistent with the innovative practices of this Laboratory, NRC is pioneering an effort aimed at improving the way the agency deals with prospective contractors.

The Office of Federal Procurement Policy selected the NRC to be the first Federal agency to test alternative source selection procedures under the Federal Acquisition Streamlining Act. “Focused Source Selection,” which the NRC is testing, is an alternative source selection procedure that will be used to meet requirements within the agency’s management and support services program area. Focused Source Selection allows all parties to focus on the things that matter the most to them during competition for Federal business opportunities. This procedure allows contractors to focus immediately on NRC’s draft statement of work while allowing NRC evaluators to focus on the quality of and customer satisfaction with contractors’ work on similar requirements. The process uses the power of the Internet to simplify communication during the source selection process and adapts other streamlining initiatives such as simplified evaluation criteria and oral presentations. The purpose is to save all parties - the business community and the NRC - time and administrative expense involved in the source selection process without sacrificing the value the agency receives under the contract.

What makes Focused Source Selection different?

Focused Source Selection procedures differ significantly from standard source selection procedures in three major areas:

First - Focused Source Selection business opportunities begin as a draft statement of work - not a solicitation. All businesses have immediate access to this draft statement of work posted on NRC's Focused Source Selection Internet homepage when a public notice of the NRC's requirement is published in the *Commerce Business Daily*. This contrasts with current source selection procedures which call for issuance of a solicitation to the public thirty days after a fifteen day waiting period.

Second - All businesses have an immediate opportunity to submit non-priced descriptions of prior business experience and customer satisfaction for NRC evaluators' consideration and ranking. This contrasts with current source selection procedures that require businesses to spend bid and proposal funds just to get an agency to consider their qualifications.

Third - Only three top-ranked sources are given an opportunity to submit proposals under Focused Source Selection procedures. The agency conducts negotiations with the top-ranked source whose proposal offers the best integrated technical/cost value to the agency. Under current procedures, all businesses submit technical and cost proposals that receive an initial formal evaluation. A competitive range is selected and negotiations are conducted with all those firms. The remaining firms are then asked to submit Best and Final offers which also receive a formal evaluation. Finally, a contract is awarded.

The current process is long and drawn-out. As you can see, Focused Source Selection procedures are streamlined, more interactive, and FOCUSED.

Here is how Focused Source Selection works

Focused Source Selection is a timesaving, seven-step process initially involving a draft statement of work and three on-line forms - a Summary Sheet, a Capability Statement, and a Comment Form.

Step 1 - Public Notice of a Focused Source Selection Business Opportunity

Public notice of the NRC's draft statement of work availability is posted on the Commerce Business Daily*Net* (CBD*Net*) webpage. A direct link to the NRC's Focused Source Selection Business Opportunity webpage is provided at the end of the public notice. The draft statement of work is posted to the Focused Source Selection Business Opportunity webpage at the same time the business opportunity notice is posted in CBD*Net*.

A Summary Sheet is the first document an interested party sees when they click on the draft statement of work title. This key document includes a link to the full draft statement of work. It also includes information to help a firm determine if it is interested in participating in the Focused Source Selection procurement. This information includes project summary, competition requirements, and due dates and times for receipt of Comments and Capability Statements. The Summary Sheet also describes the Assessment Criteria used throughout the presolicitation steps and the Evaluation Criteria used throughout the Solicitation and Award steps.

The full draft statement of work, linked to the Summary Sheet, includes all required duties, deliverables, reporting requirements, and other requirements that may be unique to that requirement. To the extent that the draft statement of work includes any performance incentives for meeting the task specifications, due dates for deliverables or reports, or similar actions, then those incentives also are included.

Step 2 - Capability Statement Submittal and Comments on the Draft Statement of Work

This is the most communication-intensive step in the whole process. During this step, the NRC Contracting Officer is interactively refining the draft statement of work with those responding -- using the experience of the business community to produce a quality set of tasking requirements. The Contracting Officer notifies interested parties requesting such notification of significant changes in the posted draft statement of work.

Simultaneously, interested parties who believe they can implement the agency's requirement are electronically submitting non-priced Capability Statements to the NRC for the agency's assessment.

Step 3 - Assessment and Ranking of Capability Statements

During this step, an NRC assessment panel evaluates and ranks interested party Capability Statements using the assessment criteria provided in the draft statement of work Summary Sheet. The panel checks the past performance information provided by each interested party and considers that information during the evaluation and ranking process. The NRC Contracting Officer will contact an interested party submitting a capability statement to clarify any adverse past performance information the assessment panel might have received before concluding the ranking.

Step 4 - Selection of Highest Ranked Capability Statement

Upon completion of the Capability Statement assessment process, the NRC assessment panel selects the three firms with the highest ranked Capability Statements to receive a solicitation. The solicitation includes the completed statement of work, contract award terms and conditions, a requirement for contractor representations and certifications, and a request for a cost and technical proposal. The NRC Contracting Officer may require oral presentations as an alternative to full written technical proposals.

Step 5 - Evaluation of the Technical and Cost Proposals

The same NRC assessment panel evaluates each firm's technical and cost proposal on a best value basis using the evaluation criteria provided in the Summary Sheet for the draft statement of work. The NRC assessment panel takes the results of the initial assessment and the results of the evaluation performed during this step into consideration before arriving at the final ranking for all three firms.

Step 6 - Negotiations

The NRC assessment panel selects the highest ranked firm offering the best integrated technical and cost value to the NRC for negotiations. If negotiations with the highest rated firm are not successful, the NRC reserves the right to negotiate with the second highest ranked firm. If negotiations with the second highest ranked firm are not successful, the NRC reserves the right to negotiate with the third highest ranked firm. If negotiations are not successful with the third highest ranked firm, the NRC reserves the right to conclude negotiations and cancel the solicitation. The NRC also reserves the right to award without discussions.

Step 7 - Award and Notification of Award

The NRC Contracting Officer awards a contract to the firm offering the best integrated technical and cost value to the Agency. The NRC Contracting Officer notifies all firms participating as interested parties of the award within three calendar days of the award date. Firms not selected to participate in the Solicitation and Award steps or not selected for award may request a debriefing by submitting an electronic mail request to the Contracting Officer within five calendar days after award has been made. The Contracting Officer will not debrief unsuccessful interested parties before award is made.

How are we able to do this?

The Office of Federal Procurement Policy waived five Federal Acquisition Regulation (FAR) requirements to ensure the successful implementation of this test program. Those FAR waivers and their effect on the Focused Source Selection process are as follows:

FAR waiver number 1. Publicizing and response time (FAR 5.203). While most of the Focused Source Selection procurements will be for commercial items or services, this waiver has the effect of reducing the 15-day posting period and 30-day response period when Focused Source Selection procedures are used to acquire noncommercial items. The NRC Contracting Officer may set a flexible deadline for preparation and submission of materials for all Focused Source Selection procurements.

FAR waivers numbers 2 & 3. All sources may submit a proposal (FAR 5.207(c)(2)(xv)) and all responsible sources are permitted to compete (FAR 6.003). These two waivers allow the NRC Contracting Officer to decide which three parties should receive the solicitation based upon a down-selection process. The NRC Contracting Officer will base the down-selection decision on the non-cost factors of corporate capability and past performance.

FAR waiver number 4. Cost must be considered when making a down-select decision (FAR 15.306(c)). This waiver allows the Contracting Officer to solicit non-priced corporate capability and past performance information from all sources without requiring all sources to submit complete technical and cost proposals for consideration. It also allows the Contracting Officer to consider only the non-priced corporate capability and past performance information when selecting three sources to receive a solicitation.

FAR waiver number 5. Negotiations must be held with all sources in the competitive range (FAR 15.306(d)). This waiver has the effect of eliminating the competitive range. The NRC Contracting Officer will negotiate only with the highest-ranked source which submits a proposal representing the best integrated technical and cost value to the Agency.

Small business participation

NRC will continue to set aside procurements exclusively for small businesses when conditions permit after consultation with the NRC Office of Small and Disadvantaged Business Utilization. Moreover, the Agency expects to improve small business participation in its procurements through this test program. Small businesses may be better able to compete for NRC business because they will have an opportunity to comment on the draft statement of work and they will not have to expend bid and proposal funds to learn if they are among the three most highly ranked interested parties.

The NRC has helped small businesses identify the incumbent by including the incumbent's name, address, point of contact, and telephone number either in the draft statement of work under a "Notice to Interested Parties" or on the Internet webpage. For those

Focused Source Selection business opportunities requiring a subcontracting plan, the NRC has posted a list of other businesses expressing an interest in teaming beneath the posting of the business opportunity on the Internet webpage. The NRC has actively invited interested parties to sign up for this list through announcements in the Commerce Business Daily, through information posted on the Focused Source Selection webpage, and through immediate responses to interested party requests for teaming opportunities received through the central Focused Source Selection electronic mailbox.

Focused Source Selection benefits

Focused Source Selection presents a “win-win” situation for all parties - business and Government. Communication between the NRC and its business partners is increased; the business community’s costs to compete and the NRC’s costs to procure are lowered; and the total selection process time is significantly reduced. Because the three top-ranked sources have a strong incentive to work with agency evaluators and learn about agency needs, they can effectively and efficiently develop high value solutions that can better fit with those needs, and offer stronger proposals.

Please visit our Webpage

The NRC has described this whole process on its Focused Source Selection Homepage at <http://www.nrc.gov/ADM/CONTRACT/Page1.html>. There, “Focused Source Selection - A 7-Step Process,” describes the full source selection process. The “Contractor’s Guide to Focused Source Selection,” provides the rules for participating in Focused Source Selection business opportunities. The Summary Sheet, draft statement of work, Capability Statement, and Comment Form, and Frequently Asked Questions also can be found on that webpage. For further information, please contact NRC Contract Policy Analyst, Susan Hopkins, at (301) 415-6514 or through the central Focused Source Selection e-mail account, Focused@nrc.gov. Elois Wiggins, NRC’s Advocate for Procurement Reform, is also available to provide

information on this process as well as other NRC procurement innovations. You may reach her at APR@nrc.gov or by calling (301) 415-6655.

About the Author

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A R T I C L E S W A N T E D

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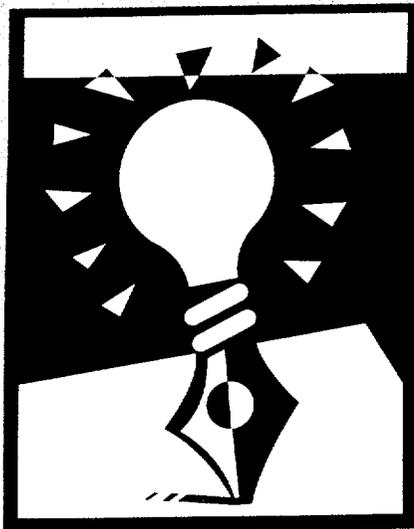
CM Submission Policy

Most of the articles published in *CM* are written by author-members, but you don't have to be an NCMA member to be published in *CM*. Articles should concern some aspect of the contract management profession, whether it be on the beginner's level or that of the advanced practitioner.

When submitting an article (if making a query, contact the Communications Team at the address and telephone number below), accompany it with a cover letter that includes your daytime telephone number, e-mail address (if available), and preferred mailing address.

Disk/Manuscript Style Notes

■ Send the manuscript on a 3½" disk, formatted in standard word processing format (MSWord, WordPerfect, etc.).



- Accompany the disk with a hard copy, double-spaced on 8 1/2 x 11" sheets, on one side of each page only.
- Do not use all uppercase type or justify the right margin.
- Do not space between paragraphs (paragraphs should be indented).
- Begin headings at the left margin.
- Keep illustrative charts, graphs, figures, and tables simple and provide hard copy with, or instead of, a digital file.
- Express footnotes as endnotes instead.
- Include a brief biography of the author(s) at the end. This should include job title and employer name, and NCMA affiliation—chapter, CPCM/CACM/SAS, Fellow. Manuscripts may range from 6 to 14 pages in length; three manuscript pages equate roughly to one page in

the magazine.

Subject matter should be relevant to any aspect of the contract management field. The Communications Team publishes an editorial calendar each year (see page 38) which is intended as a guide for potential writers on particular topics, giving the manuscript submission deadline for each issue. Writers should not feel limited by the "topic of the month"; *CM* is interested in receiving articles on any and all topics of interest to those engaged in the contracts management profession. Particularly of interest would be articles of a "how-to" nature with practical problem-solving instruction that can be used on the job.

We cannot guarantee when or if an article will be published, but we will send an acknowledgement letter. After that we contact an author, most likely by telephone, to advise of date of publication. Rejection of articles is done in writing.

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