

## 15.304 Evaluation factors and significant subfactors.

(a) The award decision is based on evaluation factors and significant subfactors that are tailored to the *acquisition*.

(b) Evaluation factors and significant subfactors *must*-

(1) Represent the key areas of importance and emphasis to be considered in the source selection decision; and

(2) Support meaningful comparison and discrimination between and among competing proposals.

(c) The evaluation factors and significant subfactors that apply to an *acquisition* and their relative importance, are within the broad discretion of agency *acquisition* officials, subject to the following requirements:

(1)

(i) Price or cost to the Government *shall* be evaluated in every source selection (10 U.S.C. 3206(c)(1)(B) and 41 U.S.C. 3306(c)(1)(B) (also see part 36 for architect-engineer contracts), subject to the exception listed in paragraph (c)(1)(ii)(A) of this section for use by DoD, NASA, and the Coast Guard.

(ii) In accordance with 10 U.S.C. 3206(c), for DoD, NASA, and the Coast Guard—

(A) The *contracting officer* may choose not to include price or cost as an evaluation factor for award when a *solicitation*—

(1) Has an estimated value above the *simplified acquisition threshold*;

(2) Will result in *multiple-award contracts* (see subpart 16.5) that are for the same or similar services; and

(3) States that the Government intends to make an award to each and all *qualifying offerors* (see 2.101).

(B) If the *contracting officer* chooses not to include price or cost as an evaluation factor for the contract award, in accordance with paragraph (c)(1)(ii)(A) of this section, the *contracting officer* *shall* consider price or cost as one of the factors in the selection decision for each order placed under the contract.

(C) The exception in paragraph (c)(1)(ii)(A) of this section *shall* not apply to *solicitations* for *multiple-award contracts* that provide for sole source orders pursuant to section 8(a) of the Small Business Act (15 U.S.C. 637(a)).

(2) The quality of the product or service *shall* be addressed in every source selection through

consideration of one or more non-cost evaluation factors such as *past performance*, compliance with *solicitation* requirements, technical excellence, management capability, personnel qualifications, and prior experience ([10 U.S.C. 3206\(c\)\(1\)\(A\)](#) and [41 U.S.C. 3306\(c\)\(1\)\(A\)](#)); and

(3)

(i) *Past performance*, except as set forth in paragraph (c)(3)(iii) of this section, *shall* be evaluated in all source selections for negotiated competitive *acquisitions* expected to exceed the *simplified acquisition threshold*.

(ii) For *solicitations* that are not set aside for small business concerns, involving consolidation or *bundling*, that *offer* a significant opportunity for subcontracting, the *contracting officer shall* include a factor to evaluate *past performance* indicating the extent to which the *offeror* attained applicable goals for small business participation under contracts that required subcontracting plans ([15 U.S.C. 637\(d\)\(4\)\(G\)\(ii\)](#)).

(iii) *Past performance* need not be evaluated if the *contracting officer* documents the reason *past performance* is not an appropriate evaluation factor for the *acquisition*.

(4) For *solicitations*, that are not set aside for small business concerns, involving consolidation or *bundling*, that *offer* a significant opportunity for subcontracting, the *contracting officer shall* include proposed small business subcontracting participation in the subcontracting plan as an evaluation factor ([15 U.S.C. 637\(d\)\(4\)\(G\)\(i\)](#)).

(5) If telecommuting is not prohibited, agencies *shall* not unfavorably evaluate an *offer* that includes telecommuting unless the *contracting officer* executes a written determination in accordance with FAR [7.108\(b\)](#).

(d) All factors and significant subfactors that will affect contract award and their relative importance *shall* be stated clearly in the *solicitation* ([10 U.S.C. 3206\(b\)\(1\)](#) and [41 U.S.C. 3306\(b\)\(1\)](#)) (see [15.204-5\(c\)](#)). The rating method need not be disclosed in the *solicitation*. The general approach for evaluating *past performance* information *shall* be described.

(e) Unless the exception at paragraph (c)(1)(ii)(A) of this section applies, the *solicitation shall* also state, at a minimum, whether all evaluation factors other than cost or price, when combined, are—

(1) Significantly more important than cost or price;

(2) Approximately equal to cost or price; or

(3) Significantly less important than cost or price ([10 U.S.C. 3206\(c\)\(1\)\(C\)](#) and [41 U.S.C. 3306\(c\)\(1\)\(C\)](#)).

**Parent topic:** [Subpart 15.3 - Source Selection](#)