



USAID PROCUREMENT EXECUTIVE

PROCUREMENT EXECUTIVE'S BULLETIN (PEB) NO. 20-02

SUBJECT: Advisory Phased Acquisition Processes

1. Scope: This Bulletin applies to all USAID Contracting Officers (COs) and to all officers with delegated authority to sign acquisition mechanisms.

2. Purpose: This PEB highlights two advisory phased acquisition processes for USAID procurements: the advisory multi-step (FAR 15.202) and the voluntary down-select processes. This guidance is intended for procurements conducted in accordance with FAR Part 15 procedures, but the CO may also use either process for FAR Part 16 orders under indefinite delivery, indefinite quantity contracts (IDIQs) or FAR Part 19 small business set-aside procurements. COs placing orders under Governmentwide acquisition contracts (GWACs) or GSA Federal Supply Schedule (FSS) contracts may also use either process, unless the ordering procedures in the basic contract preclude its use.

3. Responsibilities and Requirements: COs, working with Planners and Operating Units (OUs), may use the advisory phased processes outlined in this PEB as a means to encourage new prospective partners to compete for contracts and to streamline the procurement process.

4. Background: USAID's Acquisition and Assistance (A&A) Strategy (December 2018) outlines the key changes USAID will make to better enable and equip our A&A workforce and systems to advance self-reliance in partner countries. Reforms such as streamlining procurement, and utilizing new and innovative methods of collaboration, foster more flexibility and creativity to deliver impactful initiatives worldwide.

In support of the A&A Strategy, the Effective Partnering and Procurement Reform (EPPR) initiative includes a recommendation to lower barriers to entry for new partners and improve the acquisition process by using less-than-full proposals, pilot-phase approaches, and phased competition, including down-select processes.

This PEB discusses two forms of advisory phased processes: a pre-solicitation process and a post-solicitation process. The advisory multi-step process described in [FAR 15.202](#) is one option for a "voluntary" means of reducing the number of offerors and occurs in the **pre-solicitation** phase of a competition. Another process is to conduct an advisory down-select, which occurs **post-solicitation**. Both methods are considered

“advisory” or “voluntary” because potential or actual offerors are advised whether they are likely to be viable competitors for the contract, but are not eliminated from the competition.

This PEB is intended to advise COs of existing options for utilizing advisory phased processes, which may encourage new partners to participate in USAID procurements, while also reducing the burden placed on offerors and evaluation teams when initial submissions are minimally competitive. A typical USAID Request for Proposal (RFP) requires offerors to submit complete cost and technical proposals prior to evaluation. Offerors may expend significant effort to prepare these documents, and organizations interested in competing for USAID contracts may decide that the cost is not justified without some indication of their likely success. Additionally, the proposal evaluation process is labor-intensive for USAID staff, who must typically evaluate all proposals received against the stated evaluation criteria in the RFP. The process of evaluating proposals requires significant staff resources and can take many months.

These processes insert an additional step into the typical procurement process; however, they may lead to efficiencies in the evaluation of proposals. The CO, in coordination with the OUs, must determine whether one of these processes is appropriate for a particular procurement and should give consideration to potential impacts on the procurement timeline and A&A resources.

5. Discussion:

A. **Pre-Solicitation:** [FAR 15.202 Advisory Multi-Step Process](#). When using this process, the CO publishes a pre-solicitation notice that requests “information that allows the Government to advise the offerors about their potential to be viable competitors.” When preparing the notice, the CO and evaluation team must decide what information is determinative (e.g., statement of qualifications, proposed technical concept, past performance¹) and the evaluation criteria they will use to then advise the offerors as to how likely they are to be viable competitors in the actual competition. The submission requirements for this phase should be minimal to allow for broad participation and low investment, but meaningful enough that an offeror can articulate their capabilities and/or conceptual approach. The notice must not request the same information that will be required in the subsequent stage(s). Even if offerors have been advised that they are unlikely to be a viable competitor, offerors may submit a full proposal in response to the RFP.

The advisory multi-step process provides the offeror with notice of its viability of success, which may reduce the number of full proposals submitted by offerors with a low probability of success. When the agency uses this procedure, it must advise those respondents not considered to be viable competitors of the basis for such an opinion; however, a respondent may still participate in the resultant acquisition if it so chooses. Please note, USAID may not limit participation in the procurement to

¹ FAR suggests Past Performance as a criterion to be evaluated in the pre-solicitation notice. The use of Past Performance information as a criterion may not lend itself to lowering barriers for new partners. COs are cautioned not to use Past Performance information at the pre-solicitation stage of the advisory multi-step process.

firms that made pre-solicitation submissions. Entities that did not participate in the initial phase are not prohibited from submitting a bid or proposal, but they would be investing time and resources in submitting a full proposal without the benefit of the initial review.

Below is a basic outline of the steps for conducting an advisory multi-step process:

- The CO issues a pre-solicitation notice, outlining the documentation to be submitted and the criteria that will be used to conduct the initial evaluation.
- Offerors submit the required information, as outlined in the pre-solicitation notice.
- The Technical Evaluation Committee (TEC) convenes to evaluate all submissions in accordance with published criteria.
- The TEC documents the initial evaluation and provides it to the CO. The initial evaluation will determine whether a respondent is considered a viable competitor.
- Based on the initial evaluation, the CO then notifies each respondent, in writing, whether they are recommended to participate in the RFP process. Those that are not recommended to participate must be provided the general basis for the determination.
- The CO issues the RFP, and any firm, including offerors advised that they are not likely to be a viable competitor, or entities that did not respond to the initial notice, may participate.
- When the RFP is issued the respondents then make a business decision as to whether they want to submit a full proposal based on the previous notification from the CO about whether they are a “viable competitor”.

B. Post-Solicitation: Voluntary Down-Select Process. A voluntary down-select process provides for the use of multiple phases and the issuance of an advisory notification to offerors between stages. It differs from the FAR 15.202 advisory multi-step process in that the former is a pre-solicitation process, while the latter is part of the solicitation process. While the FAR does not define nor prescribe a post-solicitation process for down-selecting offerors, this approach is consistent with federal procurement law.

Under this process, the request for proposals (RFP) must include a brief description of the voluntary down-select process to be used in the procurement. The CO issues an RFP that describes the supplies or services to be acquired, identifies the submission requirements for each phase of the evaluation process, and discloses all significant factors and subfactors that the Agency will consider in evaluating proposals, and their relative importance, at each phase.

The RFP must also state when cost or price will be evaluated. The cost or price to the Government must be evaluated in every source selection (FAR 15.304(c)(1)) and a cost realism analysis must “be performed on cost-reimbursement contracts to determine the probable cost of performance of each offeror” (FAR 15.404-1(d)(2)). Although the CO may choose to request some limited cost information at the first phase, this is not recommended. The detailed cost proposals that are typically

needed to conduct cost analysis and cost realism analysis should only be required after Phase 1.

The solicitation must contain sufficient information to permit potential offerors to make informed decisions about whether to participate in the acquisition and must advise them that failure to participate in the first phase will preclude participation in any subsequent phase. Sample solicitation language detailing this approach can be found in Attachment 1.

The following describes a standard process for the use of the voluntary down-select process and recommendations for its use.

Phase 1:

For the first phase, the RFP instructs offerors to submit the specific information that the evaluation team and CO will consider in the first phase of the evaluation. The Activity/Design team, in coordination with the CO, must decide which evaluation factors and proposal information are determinative to be evaluated in this phase. The submission requirements for this phase should be minimal to allow for broad participation and low investment, but meaningful enough that an offeror can adequately demonstrate aspects of their capabilities, approach, or understanding of the requirements. For example, offerors could be required to submit a statement of qualifications, proposed technical concept, past performance information, or provide an oral presentation. It is not recommended that the RFP require full cost or price proposals in the initial phase.

The evaluation team evaluates all responses in accordance with the criteria stated in the solicitation. The CO then advises each offeror that either (1) it is invited to participate in the next phase (see Attachment 2 for sample language); or (2) based on the information it has already submitted, it is unlikely to be a viable competitor and the Government advises it not to participate in the next phase (see Attachment 3 for sample language). Both notices must include the associated deadline for submitting Phase 2 submission requirements, in accordance with the RFP. The notices must not restrict any offeror from participating in the next phase. Offerors who respond to phase 1 **are not** provided feedback on their submissions at this point in the evaluation.

Voluntary down-select notifications **are not** competitive range determinations. Offerors that withdraw from the competition are not entitled to an unsuccessful notice or debriefing and are presumed to lack standing to protest the Agency's evaluation. **After** the award has been made, the CO may provide informal feedback on the Phase 1 evaluation to those offerors who opted not to participate in subsequent phases.

Phase 2:

At this phase, the evaluation team evaluates the submissions received in accordance with the instructions provided in the CO's Phase I notification to offerors and in accordance with the evaluation criteria provided in the RFP. The CO uses these

evaluations, along with the Phase 1 evaluations and cost/price evaluation to determine whether to make an award without discussions or to make a competitive range determination and hold discussions.

If the CO awards without discussions, then those offerors who participated in Phase 2 may request a debriefing. The CO may provide those offerors who did not proceed to Phase 2 informal feedback at this point. The CO should make it abundantly clear that this is not a debriefing and the CO should only provide informal feedback to those offerors that opted not to proceed.

If the CO determines that it is necessary to conduct discussions, they must follow the procedures outlined in FAR 15.306, as applicable.

The following chart describes the notional steps for a voluntary down-select process as described above:

Phase 1	1	Release solicitation describing ALL Evaluation Factors and subfactors, and request offers addressing Phase 1 Factors
	2	Receive Phase 1 offers
	3	Evaluate Phase 1 factors
	4	Government notifies offerors whether it is likely to be a viable competitor for the contract. Provide submission instructions for proposal documentation addressing Phase 2 factors to offerors
Phase 2	5	Receive offerors' Phase 2 proposal documentation
	6	Evaluate Phase 2 proposal documentation
	7	Select awardee(s)

6. Inquiries: Question may be addressed to M/OAA/P at [Ask M/OAA/Policy](#).

7. Effective Date: This Bulletin is effective immediately and will remain in effect until canceled by the Senior Procurement Executive.

Date

Mark A. Walther
Senior Procurement Executive

ATTACHMENTS:

Attachment 1: Sample Solicitation language for Voluntary Down-Select

Attachment 2: Advisory Notice to Non-Recommended Offeror

Attachment 3: Advisory Notice to Recommended Offeror

ATTACHMENT 1: Sample Solicitation Language for Voluntary Down-Select

Below is sample language for a voluntary down-select phased acquisition. This language should be tailored based on the acquisition and evaluation factor/subfactors. The CO must add corresponding instructions to Section L of the RFP that align with the stated evaluation procedures in Section M.

Section M: Evaluation Procedures

(a) *The Government intends to conduct the evaluation and selection process in two (2) phases:*

(i) Phase 1 - *Factor 1 will be evaluated in this step. Each Offeror will receive an Advisory Notification. The Advisory Notification will inform the Offeror that either:*

(1) it will be invited to participate in Phase 2, or

(2) based on the information submitted, it is unlikely to be a viable competitor. The intent of this distinction is to minimize proposal development costs for those vendors with little or no chance of receiving an award. However, notwithstanding the advice provided by the Government in response to the Phase 1 submissions, all offerors who participated in Phase 1 may participate in Phase 2.

Note: The Advisory Notification is the only notice the Government will provide from Phase 1; debriefings will not occur at the end of Phase 1.

(ii) Phase 2 - *Factors 2 and 3 will be evaluated in this phase. The selection decision will be a trade-off involving all three factors, (list factors), according to FAR 15.101-1, Tradeoff Process. Risk assessment will be a part of the overall evaluation.*

(b) *Participation in Phase 1 is a mandatory part of this acquisition. Failure to participate in Phase 1 will preclude further consideration of the Offeror's proposal. Phase 2 submissions will not be accepted from any Offeror who has not participated in Phase 1.*

(c) *Evaluations of Phase 1 will be carried over to Phase 2 to be included in the overall evaluation of proposals.*

ATTACHMENT 2: Advisory Notice to Offeror recommended for Phase 2

Below is suggested language to be utilized when notifying Offerors who are “viable competitors” for the acquisition.

Dear (Insert Contract Company Name),

Your submission has been evaluated for Phase 1 of (Insert Acquisition Name/Requirement). We appreciate your participation. Based on the information presented, our initial assessment is that your firm is likely to be a viable competitor in this acquisition, and we invite you to participate in the next phase.

Phase 2 submission requirements, as specified in the RFP, are due by (Fill in due date and time).

Sincerely,

USAID Contracting Officer

ATTACHMENT 3: Advisory Notice to Offeror not recommended for Phase 2

Below is suggested language to be utilized when notifying Offerors who are not “viable competitors” for the acquisition.

Dear (Insert Contract Company Name),

Your submission has been evaluated for Phase 1 of (Insert Acquisition Name/Requirement). We appreciate your participation. Based on the information presented, our initial assessment is that your firm is not likely to be a viable competitor in this acquisition. You may continue to participate in this procurement, but we recommend that you consider carefully whether to invest time and resources to participate in the next phase. The intent of this notice is to minimize proposal development costs for offerors with little or no chance of receiving an award and to assist you in your timely decision-making.

This is an advisory notice and if you choose to proceed to the next phase, Phase 2 submission requirements as specified in the RFP are due by (fill in due date and time).

Sincerely,

USAID Contracting Officer