



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS AIR FORCE MATERIEL COMMAND
WRIGHT-PATTERSON AIR FORCE BASE OHIO

64-10, Part 15
Campbell
30 Jun 99

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MEMORANDUM FOR SEE DISTRIBUTION

FROM: HQ AFMC/PK
4375 Chidlaw Road, Suite 6
Wright-Patterson AFB OH 45433-5006

SUBJECT: A-76 Cost Comparison Studies - Section M Template Language

1. A-76 Cost Comparison Studies increasingly apply best value techniques to select the contract offer where price is not the sole discriminator. These techniques can range from Performance Price Tradeoff (AFFARS 5315.101-1), to lowest price technically acceptable source selection (FAR 15.101-2 as supplemented), to AFFARS 5315.3 source selection. When these techniques are used, it is important that the solicitation clearly explain the A-76 process, up to and including what takes place after the best value contract offer is selected, specifically the comparison between the best value contract offer and the government in-house cost estimate.
2. The attachments to this memorandum provide Section M template language that may be useful in developing an introductory description of the A-76 selection and comparison process depending on the best value technique selected. The language is to be used in conjunction with other HQ AFMC Section M template guidance.
3. Please refer any questions regarding this memorandum to Rosanne Romanchek, HQ AFMC/PKA, at DSN 986-0308, or e-mail Rosanne.Romanchek@wpafb.af.mil.

A handwritten signature in black ink that reads "Milton C. Ross".

MILTON C. ROSS, SES
Deputy Director of Contracting

Attachments:

1. Template 1
2. Template 2
3. Template 3

99-6-J

A-76 Section M Template 1

PPT Technique with Technical Proposals

M-XXX A-76 Cost Comparison Process

I. Introduction

a. This acquisition is a cost comparison study under OMB Circular A-76, as implemented by FAR 52.207-2, OMB A-76 Revised Supplemental Handbook, and AFP 26-12. There will be two steps leading to the determination to either award a contract or retain the requirement for in-house performance. The first step is the selection of the best value contract offer to compare with the in-house cost estimate; this best value selection will be based on the application of the AFFARS 5315.101-1(a) Performance Price Tradeoff (PPT) technique, including an evaluation for technical acceptability, described in paragraph II below.

b. The second step will compare the cost of in-house performance with the cost of the best value contract offer selected using the PPT technique. This comparison is accomplished after the in-house offer has been determined technically acceptable. This step will result in a decision to either continue with in-house performance or award a contract.

II. Best Value Contract Offer Selection

(Insert here Section M language that describes the basis for selection of the best value contract offer, including the evaluation process - technical evaluation factors/subfactors, tradeoff between price and performance risk assessment. See HQ AFMC PPT Guide.)

A-76 Section M Template 2

LPTA Technique

M-XXX A-76 Cost Comparison Process

I. Introduction

a. This acquisition is a cost comparison study under OMB Circular A-76, as implemented by FAR 52.207-2, OMB A-76 Revised Supplemental Handbook, and AFP 26-12. There will be two steps leading to the determination to either award a contract or retain the requirement for in-house performance. The first step is the selection of the best value contract offer to compare with the in-house cost estimate; this best value selection will be a lowest price technically acceptable (LPTA) source selection conducted in accordance with FAR 15.101-2, as supplemented. The basis of this LPTA best value contract offer selection is detailed in paragraph II below.

b. The second step will compare the cost of in-house performance with the cost of the best value contract offer selected using the LPTA technique. This comparison is accomplished after the in-house offer has been determined technically acceptable. This step will result in a decision to either continue with in-house performance or award a contract.

II. Best Value Contract Offer Selection

(Insert here Section M language that describes the basis for selection of the best value contract offer, including the technical evaluation process - technical evaluation factors/subfactors that establish the requirements of acceptability.)

A-76 Section M Template 3

Source Selection

IAW FAR 15.3, DFARS 215.3, AFFARS 5315.3, AFMCFARS 5315.3

M-XXX A-76 Cost Comparison Process

I. Introduction

a. This acquisition is a cost comparison study under OMB Circular A-76, as implemented by FAR 52.207-2, the OMB A-76 Revised Supplemental Handbook, and AFP 26-12. There will be two steps leading to the determination to either award a contract or retain the requirement for in-house performance. The first step is the selection of the best value contract offer to compare with the in-house cost estimate as detailed in paragraph II below.

b. In the second step, the decision to either award a contract or retain the requirement for Government performance will be made in accordance with the following process:

1. To ensure equity and fairness, the source selection authority (SSA) must be satisfied that the best value contract offer and the in-house cost estimate are based on the same level of performance. If higher performance output is the basis for selecting the best value contract offer, the SSA will review the Government Technical Performance Plan (TPP) and Management Plan.

2. If the SSA determines that the Government TPP/Management Plan represent an equivalent level of performance as compared to the selected best value contract offer, the cost comparison study will be completed: the in-house cost estimate will be opened, the cost comparison form will be completed, and the cost comparison decision will be made.

3. If the SSA determines that the selected best value contract offer and Government TPP/Management Plan do not represent an equivalent level of performance, the SSA will direct that the Government TPP (and Management Plan, if necessary) be adjusted to an equivalent level. Once the SSA is satisfied that equity has been achieved, the in-house cost estimate will be revised as necessary to reflect the changes made to the TPP/Management Plan. The cost comparison form will then be completed and the cost comparison decision made.

II. Best Value Contract Offer Selection

(Insert here Section M language that describes the basis for selection of the best value contract offer, including the evaluation process, e.g., evaluation factors and subfactors, order of importance. See Air Force Source Selection Procedures Guide and HQ AFMC Section M guide/template.)