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## **JTH24003 – Bid Instructions Attachment A1**

# **PORTUGUESE NAVY FFGH MLU AND OPV SEWACO PROJECT**

## **PROPOSALS EVALUATION METHODOLOGY**

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References:

- A. NSPA Procurement Operating Instruction, 4200-01 dated 27 March 2024
- B. RFP – Bidding Instructions
- C. RFP – Price Matrix
- D. Tech Compliance Matrix for Best Value Evaluation

## 1. General

i. The aim of this document is to describe how NSPA will analyze and evaluate proposals in order to identify the Bidder providing the best value solution for the scope of work articulated in this RFP.

ii. The evaluation of Proposals will be made solely on the basis of the requirements specified in the Request For Proposal (RFP) and based on the best-value approach defined therein. The Bid with the highest total final score<sup>1</sup> will be declared as the winning Bid.

iii. The evaluation of Proposals and the determination of compliance with the Commercial, Pricing and Technical requirements stated in the RFP will be based only on that information provided by the Bidder and contained in the Proposal. NSPA reserves the right to ask clarification questions on the proposals received.

iv. The Bidder shall provide all information requested by NSPA. **Significant omissions, cursory submissions and/or pre-conditioned submissions may result in a determination of non-compliance.** The information provided by the Bidder in the Proposal shall be to the level of detail necessary for NSPA to determine exactly whether the Proposal meets the Commercial, Pricing and Technical requirements of the RFP.

v. The Bidder is at liberty to provide additional information over and above that which is necessary to satisfy the RFP requirements. **Such additions, however, shall be included in a separate document, which is to be clearly labelled "Additional Information".**

vi. The Bidder is not permitted to just restate the RFP requirements in confirmatory terms only. The Proposal must clearly describe how the Bidder intends to meet the requirements of the RFP and the prospective contract. Statements in only confirmatory terms will be sufficient grounds for considering the Proposal as non-compliant.

viii. The Bidders shall submit their Technical Proposal, Commercial Proposal and Price Proposal in two separate packages: Technical and Commercial to consist of the following.

### viii-1. Technical

- a) Technical Proposal Narrative with all associated supporting documentation
- b) Exhibit Proposal Form Instruction Part A with all information filled
- c) Technical Compliance Matrix with all yellow-shaded cells completed
- d) Outline Quality Plan

### viii-2. Commercial

- a) Exhibit Proposal Form Instruction Part B with all information filled
- b) Price Matrix with all yellow-shaded cells completed

ix. **The Technical Proposal must not contain Pricing information.**

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<sup>1</sup> Including, if applicable, settling any tie.

## 2. Analysis and Evaluation Criteria

### 2.1 Phase 1 – Bid Opening: Completeness, Eligibility and Budget

An initial review will be conducted by the NSPA Procurement Officer to ensure that Bidder proposals are:

- a. Complete - all required documentation submitted with all information provided (i.e. all blanks and all yellow-shaded spreadsheet cells filled). Bids submitted with omissions that are over and above a clerical nature will be deemed non-compliant.
- b. Eligibility – bidder either has primary operations/incorporation in a NATO country or has been specifically authorized to participate in this RFP. Proposals from bidders that are not eligible to participate in NSPA tendering will be deemed non-compliant.
- c. Budget – the established budget of this project is €140,000,000 EUR and shall serve as a maximum bid price ceiling. **All Bids exceeding this ceiling (Mandatory plus Desirables less Options) will be deemed non-compliant.**

Bids that are deemed compliant in Phase 1 will be further evaluated under Phase 2. Bids deemed non-compliant will not be further evaluated.

### 2.2 Phase 2 –Commercial, Technical and Pricing Evaluation of Proposals

#### 2.2.1 General

Proposals will be evaluated on a Best Value basis.

The below requirement assessment will apply:

- Pass/Fail for Technical Essential requirements: Proposal will be considered non-compliant if any of the Mandatory requirements are deemed a "fail". During the evaluation of each Bid, the evaluators will assess the compliance of the Bid using pre-determined standards for each evaluation factor. A single non-compliant factor for an Essential or Optional requirement in a Bid may render the entire Bid non-compliant.
- Scored for Price and Technical “Desirable” requirements: for these scored requirements, NSPA will assess to what degree the Bidder’s proposal meets the requirements;
- Optional: those requirements falling into this category will be evaluated for compliance and will be technically scored based on the overall proportion of compliant Options in the bid. The Options that are separately priced in the Price Matrix will, however, be included in the overall Price Score whether compliant or non-compliant.

The Best Value Evaluation scoring will be based on a three level approach:

1. Top level: implements the balance between price and technical performance of each Bid;
2. 2nd level evaluation (for Technical, Operational Performance and Management Performance): implements the balance of several top level classes of performance (e.g. sensors, combat management system integration, ILS, project management etc.), weighted in accordance with their relative importance;
3. 3rd level evaluation (for Technical, Operational Performance and Management performances): implements the balance of various individual characteristics within each class, at the subsystem-level (e.g. radar range, Electro Optics Systems field of view, Combat Management System features, delivery schedule, etc.), weighted in accordance with their relative importance in each respective class of performance.

The overall bid evaluation will consist of the following:

- a) Commercial Evaluation;
- b) Technical Evaluation;
- c) Price Evaluation;
- d) Best Value Final Scoring

#### 2.2.2 Commercial Evaluation

The Commercial Evaluation will be performed to assess Bidders' responsibility and compliance with the mandatory Terms and Conditions attached to the Request for Proposal. Proposals premised upon deviations to the Terms and Conditions will be considered non-compliant and will not be further evaluated and considered for contract award.

NSPA will perform the following initial assessment, against the following criteria:

- Bid was received within the closing date/time.
- Bid was packaged and marked properly (Technical and Commercial/Pricing documents correctly segregated and no pricing information is listed in the Technical package)
- Bidder confirms their proposal is not conditioned upon modification or alteration of the language in the Statement of Work and Terms and Conditions (Draft Contract).

Bids that do not meet the above criteria will be deemed commercially non-compliant and will not be further considered for contract award.

#### 2.2.3 Technical Evaluation

Each technical proposal will be evaluated on the following:

- a) Compliance with the mandatory (essential) requirements
  - (i) Proposals must include all essential requirements and all proposed solutions must be technically compliant in order for the proposal to be eligible for contract award.

The pass/fail compliance evaluation of the essential requirements, and computation of respective scoring, will be made using a Technical Evaluation Matrix for best value evaluation.

These requirements can only be rated as "non-compliant" or "fully compliant" and will be scored with Individual Requirement Score (IRS) = 0 or 100 points respectively;

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At the end of this phase, the proposals complying with all essential requirements will be declared technically compliant and will undergo further evaluation; the other proposals will be declared technically non-compliant.

### b) Compliance with the desirable requirements and computation of the technical score (TS)

- (ii) Bidders are encouraged to offer their most technically capable solutions to meet the desired requirements at competitive pricing.
- (iii) Proposals do not have to include all desirable requirements, however, those desirable requirements that are proposed must be technically compliant in order for a contract award to include the specific proposed provision. Note that technically non-compliant proposed solutions for desirable requirements will receive a 0 technical score.

All desirable requirements have been assembled in several classes of 2<sup>nd</sup> level criteria for technical evaluation (e.g. sensor system, combat management system integration, ILS etc.). Each class has been assigned a class weight factor (CW) in accordance with the importance of each class within the overall project. CW is expressed in percentage, with the sum of all classes' weights being 100%.

$$\sum_{\text{all classes of 2nd level criteria}} \text{Class Weight CW [\%]} = 100\%$$

Within each Level 2 class, the individual requirements (3<sup>rd</sup> level criteria) have been assigned a requirement weight (RW) in accordance with the importance of each requirement within that class. RW is expressed in percentage, with the sum of all RW within the class being 100%.

Class and requirement weights will not be disclosed to the bidders.

#### Simulated Class Elements with Class Requirement Weights Applied

2nd Level Classes			
Class Element	Second-Level Criteria Total Score	Class Weight	Class Level Weighted Score
Class Element 1	32.125	25.00%	8.031
Class Element 2	67.300	35.00%	23.555
Class Element 3	39.000	10.00%	3.900
Class Element 4	92.250	30.00%	27.675
		<b>Technical Score</b>	<b>63.16</b>

Within some individual requirements are two Performance Levels established, Performance Level 1 and Performance Level 2. Each Performance Level is assigned a weighted score (PW) between the two, the sum of which is 100%. Within each class Performance Level are Individual Requirements each receiving an Individual Requirement Score (IRS) with a corresponding Requirement Weight (RW) applied. The sum of all IRS weights within each Performance Level is 100%. The IRS score for each Individual Requirement is on a scale from 0 to 100. An illustrated example is as follows:

Example Class Element 1 Performance Level Weight and Individual Score Breakdown

Second Level Criteria Main Scope							
Top Level Performance Element	Performance Level	Performance Level Weight (PW)	Description	Evaluation criteria	Evaluation Score	Requirement Weight	Weighted Score
Class Element 1	LVL1	65%	Requirement must perform between parameter x & y	>x≤y = 30 >x≤y = 60 >x<y = 90 ≥y = 100	30	25.0%	4.875
			Requirement must perform between parameter x & y	>x≤y = 30 >x≤y = 60 >x<y = 90 ≥y = 100	60	25.0%	9.75
	LVL2	35%	Requirement must perform between parameter x & y	>x≤y = 30 >x≤y = 60 >x<y = 90 ≥y = 100	100	50.0%	17.5
							32.125

In the above example the first simulated IRS, 4.875, is calculated by multiplying the Evaluation Score (30) by the RW [25%] and then the PW [65%]. The IRS's for each requirement are then summed within the Class Element to arrive at the Second Level Criteria Score.

Finally, the Technical Score (TS) will be computed as the sum of each Individual Requirement Score IRS, weighted with the Requirement Weight (RW) and Performance Level Weight (PW) (3<sup>rd</sup> level criteria weight factor) and with their Class Weight CW (2<sup>nd</sup> level criteria weight):

$$TS = \sum_{\text{all 2nd level classes}} \left( CW[\%] * \sum_{\text{all 3rd level requirements in the class}} (PW[\%] * RW[\%] * IRS) \right)$$

Note: TS will be rounded down to the second decimal, ranging from 0.00 (min.) to 100.00 (max.).

c) Compliance with the optional requirements (not scored)

Each optional requirement will be evaluated for compliancy but will not be included in the technical scoring. The options found compliant can be considered by the customer to be exercised throughout the validity of the contract, depending on budget availability.

#### 2.2.4 Price Evaluation

The Price Evaluation will be performed using the Price Matrix.

The Bidders are required to submit a Price Proposal with all yellow-shaded cells in the Price Matrix completed. Any price elements being proposed at no additional cost shall have a 0 entered. Blank yellow cells could be grounds for a non-compliance determination. The light orange-shaded cells are to account for Desirable requirements in the SOW warranting a separate price. If the Bidder provides a technical solution that meets the applicable Desirable requirement, please enter the corresponding price, otherwise leave blank. Blank orange cells will not be considered as incomplete, however, if a Bidder includes the Desirable requirement in their technical proposal and did not provide a price, then it will be assumed it is included in the standard pricing. No price changes, other than escalation for inflation, will be allowed during performance in relation to pricing

of the Desirable requirements and the applicable cells being left blank in the bid. The total evaluated price, also referred to as the Total Bid Price, will be used to compute the Price Score (PS).

NSPA will perform the following initial assessment, against the following criteria:

- The Bidder shall ensure that Bidding Prices are submitted using the Price Matrix provided in the RFP with no blank yellow-shaded cells.
- NSPA will review the prices and identify any obvious errors or tampering with the Price Matrix spreadsheet.
- NSPA will perform cost/price analysis in order to verify the prices offered are commensurate with the work to be performed. NSPA will also check for abnormally low, high and materially unbalanced prices, based on the provision of the required price structure requested in the Price Matrix proposal form. Where pricing is determined to be either unrealistic or not fair and reasonable, NSPA may seek clarification from the Bidder. Materially unbalanced, unrealistic or incomplete prices that are not adequately supported and which would impact the ability of NSPA to perform an evaluation, may be considered non-compliant and the Bidder's proposal may be removed from the competition.

The PS will be established based on the prices provided and the formulas accounting for quantities, ship cost share and estimated supply/service delivery year arriving at a Total Evaluated Bid Price – Tab 2 Cell E13 in the Price Matrix.

Price Scoring for each proposal will be computed as follows:

$$PS = 100 \times \left\{ 1 - \left( \frac{\text{Total Evaluated Bid Price}}{2 * \text{Average Bid Price}} \right) \right\}$$

Note: PS will be rounded down to the second decimal, ranging from 0.00 (min.) to 100.00 (max.). Also "Average Bid Price" is applicable only to the commercial compliant bids where the Total Evaluated Bid Price less Options is within the budget.

#### 2.2.5 Overall Final Scoring

The Overall Final Scoring of proposals will be measured and compared against the following criteria:

- Technical, Operational Performance and Management characteristics, with a weight of 90 %, and
- Price, with a weight of 10 %.

Consequently, the overall Final Score (FS) of each Proposal will be calculated as follows:

$$FS = [(1 - 0.10 \times TS)] + (0.10 \times PS)$$

Note: FS will be rounded down to the second decimal, ranging from 0.00 (min.) to 100.00 (max.).

The bid with the highest Final Score shall be the successful bid unless there is a statistical tie. There is a statistical tie when the Final Score of the highest scoring bids are within one point of each other. All proposals within this range (difference less or equal to one point to the highest FS) will be considered as part of the tie. The statistical tie will be resolved by awarding the contract to the bid with the Highest Weighted Technical Score.



### **3. Revise and Confirm or Best and Final Offer (BAFO)**

If NSPA is not able to make the award decision due to discrepancies and / or significant uncertainties present in the Bidder's Proposal, NSPA will make a competitive range decision wherein all Bids possessing a reasonable opportunity to achieve contract award will be notified. In this case, Bidders will be contacted by NSPA to discuss, if appropriate/necessary, their proposal. The Bidder may be requested to present clarifying information to allow NSPA to achieve a complete understanding of the Proposal. Upon conclusion of these discussions, NSPA reserves the right to request some or all Bidders to revise and confirm and / or provide a Best and Final Offer indicating a time and date for which this is due. Revised, Confirmed and/or Best and Final Offers received after the given Revised Bid Closing Date will be considered as a late proposal and will NOT be further considered for award.

### **4. Proposal for Award**

The identification of the Winning Bid is the proposal that receives the highest Final Score including tie-break, if needed, using the Evaluation Criteria set forth in this RFP Proposal Evaluation Methodology. Upon identification of the Winning Bid, NSPA will proceed with the contract award process. All bidders will be notified of the status of their proposals once the requisite internal review/approval processes have been completed.