

1. **BEST VALUE AWARD (Clause L-1.1) (June 2012)**

In conjunction with the current revision of document 0106, Request For Proposal Instructions, Offeror's proposal will be evaluated based on the following criteria to determine Buyer's best value.

1. Buyer will establish Offeror's total proposal cost (i.e., proposal price, tooling costs, miscellaneous and non-recurring type charges, etc.).
2. If all Offeror's have a minimum of six receipts within a 12-month period in the Supplier Performance Index (SPI) database, Buyer will multiply the Offeror's total proposal cost by their Supplier Performance Index (SPI) rating. SPI criterion – PPM (defective parts per million), % PATF (percent parts accepted trouble free), % of LATF (percent lots accepted trouble free), and % OTD (percent on-time delivery to purchase order delivery schedule). If there are Offeror's without a minimum of six receipts with a 12-month period, the other evaluation criteria will be used in determining a best value decision.
3. Multiply the resulting amount by a weighted lead time ratio (Offeror's proposed lead time over shortest proposed lead time) to determine a preliminary evaluated cost.

Add costs for the following, as applicable: 1) Engineering evaluation; 2) Quality assurance & Inspection; 3) Confidence factor taking into account Offeror's manufacturing capabilities, inspection capabilities, contract administration, status reporting, certification data accuracy, key personnel, experience with similar products, understanding of Buyer's requirements, and current open capacity.

**Commented [BPC1]:** Include this clause in all competitive solicitations for production material and evaluate proposals based on Offeror's total proposal cost, SPI (Supplier Performance Index) rating, weighted lead time ratio, applicable engineering evaluation, quality assurance and inspection costs, and FM&T vendor confidence factor cost. The SPI portion of this Best Value Model is only used if all Offeror's have a minimum of six entries within a 12-month period in the SPI data base. Even if the SPI portion cannot be used, the balance of the model shall be used, as applicable. NOTE: Price related factors other than those identified in the clause MUST BE CLEARLY STATED so that all offerors understand how the proposal will be evaluated.