25.504-4 Group award basis.

(a) *Example 1*.

OFFERS			
Item	**A**	**B**	**C**
1	DO = $55,000	EL = $56,000	NEL = $50,000
2	NEL = 13,000	EL = 10,000	EL = 13,000
3	NEL = 11,500	DO = 12,000	DO = 10,000
4	NEL = 24,000	EL = 28,000	NEL = 22,000
5	DO = 18,000	NEL = 10,000	DO = 14,000
	$121,500	$116,000	$109,000

Key:

DO	=	Domestic end product
EL	=	Eligible product
NEL	=	Noneligible product

Problem: Offeror C specifies all-or-none award. Assume all offerors are large businesses. The acquisition is not covered by the WTO GPA.

Analysis: (see 25.503)

STEP 1: Evaluate Offers A & B before considering Offer C and determine which offer has the lowest evaluated cost for each line item (the tentative award pattern):

Item 1: Low offer A is domestic; select A.

Item 2: Low offer B is eligible; do not apply factor; select B.

Item 3: Low offer A is noneligible and Offer B is a domestic offer. Apply a 6 percent factor to Offer A. The evaluated price of Offer A is higher than Offer B; select B.

Item 4: Low offer A is noneligible. Since neither offer is a domestic offer, no evaluation factor applies; select A.

Item 5: Low offer B is noneligible; apply a 6 percent factor to Offer B. Offer A is still higher than Offer B; select B.

STEP 2: Evaluate Offer C against the tentative award pattern for Offers A and B:

OFFERS							
Item	**Low Offer**	**Tentative Award Pattern from A and B**			**C**		
1	A	DO	=	$ 55,000	NEL	=	$53,000*
2	B	EL	=	10,000	EL	=	13,000
3	B	DO	=	12,000	DO	=	10,000
4	A	NEL	=	24,000	NEL	=	22,000
5	B	NEL	=	10,600*	DO	=	14,000
				$111,600			$112,000

*Offer + 6 percent.

On a line item basis, apply a factor to any noneligible offer if the other offer for that line item is domestic.

For Item 1, apply a factor to Offer C because Offer A is domestic and the acquisition was not covered by the WTO GPA. The evaluated price of Offer C, Item 1, becomes $53,000 ($50,000 plus 6 percent). Apply a factor to Offer B, Item 5, because it is a noneligible product and Offer C is domestic. The evaluated price of Offer B is $10,600 ($10,000 plus 6 percent). Evaluate the remaining items without applying a factor.

STEP 3: The tentative unrestricted award pattern from Offers A and B is lower than the evaluated price of Offer C. Award the combination of Offers A and B. Note that if Offer C had not specified all-or-none award, award would be made on Offer C for line items 1, 3, and 4, totaling an award of $82,000.

(b) *Example 2*.

OFFERS									
Item	**A**			**B**			**C**		
1	DO	=	$50,000	EL	=	$50,500	NEL	=	$50,000

OFFERS									
Item	**A**			**B**			**C**		
2	NEL	=	10,300	NEL	=	10,000	EL	=	10,200
3	EL	=	20,400	EL	=	21,000	NEL	=	20,200
4	DO	=	10,500	DO	=	10,300	DO	=	10,400
			$91,200			$91,800			$90,800

Problem: The solicitation specifies award on a group basis. Assume the Buy American statute applies and the acquisition cannot be set aside for small business concerns. All offerors are large businesses.

Analysis: (see 25.503(c))

STEP 1: Determine which of the offers are domestic (see 25.503(c)(1)):

	Domestic [percent]	Determination
A	60,500/91,200 = 66.3%	Domestic
B	10,300/91,800 = 11.2%	Foreign
C	10,400/90,800 = 11.5%	Foreign

STEP 2: Determine whether foreign offers are eligible or noneligible offers (see 25.503(c)(2)):

	Domestic + Eligible [percent]	Determination
A	N/A	Domestic
B	81,800/91,800 = 89.1%	Eligible
C	20,600/90,800 = 22.7%	Noneligible

Parent topic: 25.504 Evaluation examples.