

## Overview of the Research & Development Contract Process

The negotiated research contract process contains many steps that have to be completed before the award of a contract. The following is a brief description of the major steps in the process, from origination of the scientific project need or idea as identified by program staff through award of a contract. This process, for competitive acquisitions, usually requires on average of 10 months to complete, from the time the Request for Contract (RFC) document is approved until an award is made.

### MAJOR STEPS

#### 1. PRESOLICITATION PHASE (Project Initiative Approval Process)

NINDS has a comprehensive and integrated initiative development and approval process whereby program initiatives for contracts, concept proposals for grant program announcements, set-aside initiatives, and workshops are presented and ranked on a continuing basis beginning approximately 12 to 15 months in advance of the fiscal year in which the initiatives are to be funded. Contract project ideas are developed by program staff based on discussions and interactions with the scientific community, e.g., existing advisory groups, workshops, conferences, etc., and with consideration given to the Institute's strategic planning initiatives. Program staff are responsible for defining the need (what it is they need to buy/acquire) and to discuss the relevance and priority of the idea within their cluster. If the contract idea is approved by the cluster, it is then included as part of the cluster's concept proposals usually presented in July of each year at the Institute's annual retreat. After this retreat, usually sometime in August, the Extramural Science Committee (ESC) will rank and make recommendations to the Institute Director regarding the project concept initiatives presented at the July retreat. The ESC voting members consist of the Institute's Deputy Director, Director and Deputy Director, Division of Extramural Research, all Associate Directors, Chief, Scientific Review Branch (SRB), and three Cluster Science Leaders, who are appointed on a rotating basis. Non-voting ESC members include the Institute Director, the Director, OSPP, NINDS Budget Officer, NINDS Executive Officer, and the Chief, Grants Management Branch. The Institute Director reserves the right to accept or reject any ESC recommendation and will make final project approval decisions. These decisions are made with consideration given to the rankings and recommendations made by the ESC and available appropriations, and are communicated to the individual program directors and the Chief, CMB.

After a contract project idea is ranked by the ESC and approved by the Director, NINDS (i.e., given a "green" light approval), program staff may then pursue peer review of the project concept. The Scientific Review Branch, (SRB), NINDS is responsible for coordinating and conducting peer review of all contract project concepts. Peer review of the project concept may be done by mail, teleconference, or meeting, whatever is appropriate for the particular concept. One important note is that not more than 25% of the members of the concept review group may be government officers or employees. The method in which concept review is performed is within the discretion of SRB.

**Legal Basis for Concept Review:** The Public Health Service Act (42 U.S.C. 201 et seq.) requires scientific-technical peer review and approval of both project concept and technical proposals of all NIH biomedical and behavioral R&D contract projects. Scientific-technical peer review of a R&D contract project concept identifies the basic purpose, scope, and objectives of the project idea and establishes the relevance, priority, and need of projects to accomplish the IC mission. The purpose for obtaining concept review and approval is to determine the scientific/technical significance of the goals and objectives of the proposed project idea; if there is a need for the project; if it is important; and if appropriate expertise, resources, and technologies are available to carry out the work.

In assisting SRB with the concept review process, the program director will prepare a brief general project description of the idea. Individual project descriptions are not intended to be detailed specifications or Statements of Work, but rather provide a general summary of the basic purpose, scope and objectives of the project. The project description prepared by staff for the July retreat and subsequent ESC presentation will usually serve as the project description that will be used for concept review. A standardized template, "Contract Project Description for New Initiatives," is available in either Microsoft Word or html format. Results of the concept review are summarized in formal minutes prepared by SRB's Scientific Review Administrator. The minutes will also provide a tally of approval and disapproval votes in either support or dissent of the project concept. Results of the concept peer review are then made a part of any eventual Request for Contract document.

**Preparation of the Request for Contract /Acquisition Plan (RFC/AP).** Upon receipt of concept approval, program staff, with assistance from an assigned contracting officer, will begin acquisition planning and market research activities and preparation of the RFC/AP documents. The RFC is the formal written agreement between program, scientific review, Institute management, and contracts management that describes what is to be acquired, the method of how and when the acquisition is to be accomplished and is used to develop Request for Proposals (RFP). This document contains all information essential for awarding a contract. It includes the specific protocol or Statement of Work, purpose of the contract, background and need, concept review documentation, performance period, estimated cost and fund citation, technical evaluation criteria and instructions, acquisition schedule including consideration for technical review of proposals, identification of proposed sources, method of contracting, type of contract to be awarded, notation of any special approvals, clearances that will be required in performance of the contract, schedule of deliverables, identification of the Project Officer and alternate, etc. The information from this document is used to prepare the Request for Proposals (RFP). The program director and contracting officer jointly develop the RFC.

**Committee for Scientific Implementation (CSI) Review of the RFC Statement of Work.** Upon development and completion of the proposed RFC Statement of Work, the program director will submit the Statement of Work and related concept review documentation for review by the CSI. Review by the CSI will help assure that the Statement of Work adequately describes in a clear, concise and non-ambiguous manner the desired research work and objectives to be achieved, including the end product or result to be delivered. In addition, this review will also ensure that the Statement of Work is consistent with the scope and objectives presented for concept review.

**Request for Contract Approval.** If the Statement of Work is approved by the CSI, the program director and contracting officer will complete and finalize the RFC. It is then forwarded for review and concurrence by the Cluster leader, Chief, Scientific Review Branch, NINDS Budget Officer, Chief, CMB, and Associate Director, Extramural Research. Approval of the RFC by the Director, NINDS completes the internal presolicitation phase and allows the CMB to initiate the solicitation phase of the process.

## **2. SOLICITATION PHASE**

**Public Announcement of Request for Proposals (RFP).** In full and open competitions, that is, where there is no restriction as to who may compete, a public announcement advertising the availability of our RFP's is published at the FedBizOpps website, which is the Government's Point of Entry for all Federal Business Opportunities. In addition, we also announce the availability of upcoming RFP's in the NIH Guide to Contracts and Grants.

**Request for Proposals Issued.** The RFP communicates what the Government wants to acquire and conveys all information that prospective offerors will need to prepare and address in their proposal. The RFP contains the work/performance specifications, as developed by staff, and requires the submission of separate technical and business proposals. The proposal response period, from the time that the RFP is issued until the time that proposals are received usually ranges between 60 to 90 days. The RFP is prepared and issued by the CMB. RFP's are issued electronically and are available for downloading from the NINDS CMB homepage and the "FedBizOpps" public website. Hard copies can be provided to those who do not have electronic access.

## **3. TECHNICAL REVIEW, NEGOTIATION AND AWARD PHASE**

**Proposal Receipt and Technical Merit Review.** Proposals received in response to a Request for Proposals (RFP) are forwarded to both program staff and the assigned Scientific Review Administrator (SRA), Scientific Review Branch (SRB). The Scientific Review Branch, NINDS, is responsible for coordinating and conducting the scientific/technical merit peer review of proposals received in response to our RFP's. Special emphasis panels (SEP) perform these reviews. All proposals undergo rigorous scientific merit and cost/business management review. Only those proposals judged scientifically acceptable, as evaluated by an external peer review panel, are further considered for the possible award of a contract. Proposals are technically evaluated and scored based upon the evaluation criteria and scoring scheme developed during preparation of the RFC and advertised in the RFP. Proposals are rated as acceptable or unacceptable. For review of contract proposals, there is no requirement for a consensus among the reviewers. Upon conclusion of the review meeting, the SRA is responsible for preparing a technical evaluation report (summary minutes). This report, which is signed by a member of the review panel, summarizes the technical strengths and weaknesses of all proposals. This report is forwarded to both the project officer and assigned contracting officer. The technical evaluation review process is usually completed within twelve to fourteen weeks after receipt of proposals.

**Competitive Range Determination and Discussions.** A ranking of proposals is established based on the evaluative ratings, comments, and scoring from the technical review. Concurrent with the technical merit review, the Project Officer and assigned Contract Specialist will perform a preliminary cost realism and business management review of each business proposal. With consideration given to the SEP recommendations, and the preliminary cost realism and business management reviews, the Contracting Officer with input from the Project Officer, will determine which proposals are to be included in the competitive range. Only proposals included in the competitive range are eligible for further consideration and possible award of a contract. Input from the Project Officer weighs heavily in the competitive range determination. As a matter of regulatory policy, the competitive range will include only the most highly rated proposals, unless the range can be further reduced for purposes of efficiency. Only technically acceptable proposals can be included in the competitive range. The competitive range is determined on the basis of the array of scores and the relative ranking of the offerors, but not on the basis of any predetermined passing score. Negotiations/discussions are conducted with all offerors included in the competitive range. These discussions are conducted with the intent of allowing offerors to revise, clarify, and modify their proposals. Discussions apply to all aspects of a proposal, price, schedule, technical requirements, type of contract, etc. Our competitive range negotiations are usually conducted in writing, and address all aspects of the proposal, both technical and business. Site visits can be conducted in conjunction with competitive range discussions.

**Final Proposal Revision.** Upon completion of discussions with all offerors in the competitive range, each offeror is then notified in writing that negotiations are being concluded and given the opportunity to submit a final proposal revision (FPR). FPR's are due by a common cut-off date. FPR's are subject to a final evaluation of technical, price or cost and other salient factors by the Contracting Officer and Project Officer. Depending on the complexity of the technical issues discussed during negotiations, FPR's can be reviewed by some or the entire original technical evaluation panel. A second technical peer review, if required, will generally be handled by mail and/or conference call. Additional peer review of FPR's will usually result in a re-scoring of the proposals. Program staff review does not typically result in a re-scoring of proposals.

**Source Selection Determination.** After consultation with Program staff, and with consideration given to the award selection criteria advertised in the RFP, the Contracting Officer is responsible for making an award selection determination. As is usually the case with our R&D requirements, the scientific and technical merit of proposals is the predominant award selection factor. In this regard, the Contracting Officer relies heavily on the technical judgment and recommendations made by the Project Officer. The program director is required to generate a selection recommendation memorandum, which may be reviewed and discussed within the cluster but must be reviewed and approved by the cluster scientific leader. The recommendation memorandum must address the relative technical strengths and weaknesses between the proposals vying for award, and the advantages offered by the proposal recommended for award. Based on program's award recommendation, the Contracting Officer will prepare a formal source selection determination stating the basis for award selection.

**Ratification of Award Selection.** The award selection decision must be ratified by to the Director, DER. The Director, DER, is provided the sponsoring program award recommendation, along with the Contracting Officer's source selection determination for review and approval. Upon award ratification by the Director, DER, the Contracting Officer finalizes the source selection determination, if necessary, to take into account any recommendations or findings resulting from that process.

**Limited Negotiations and Award.** Limited negotiations, with the source selected for award, are conducted after internal ratification of the award decision. Such negotiations are necessary to finalize terms and conditions of the award, e.g., confirmation of each party's proposed performance obligation, i.e. sign-off and acceptance of the proposed contract statement of work, any applicable special contract terms and conditions such as payment provisions, subcontracting plans, patent rights, data rights, property approvals, inclusion of special authorizations, restrictions, limitations concerning costs, use of human subjects and/or animals, data collection activities pursuant to the Paperwork Reduction Act, confirmation of final labor rates, overhead rates and fees, and to obtain any other special clearances and approvals necessary prior to award. The extent of limited negotiations however is restricted to only factors which would not have any effect on the award selection decision or in no way would prejudice the competitive interests or rights of those not selected for award. Upon receipt of confirmation of the limited negotiation issues from the offeror selected, the contract document is drafted and transmitted to them for signature. The Contracting Officer makes award upon receipt and acceptance of the signed contract. Debriefings are then conducted with organizations not selected for award after the award is made.