



Set Price w/ Highest Evaluated Ratings (SPHERe)

Overview

Set the price for the procurement so that all offerors submit with the same price. The Government then evaluates them technically to see who is the highest technically rated across all evaluation factors. Use SPHERe when there is a set budget and there is plausibility for offeror's submissions to contain value added elements of performance, delivery, or quality to exceed the Government's requirement at a set price. It is as easy as setting the price at a fixed amount, like \$10M, but then look at how offerors' submissions exceed the requirement.

For example, let's go buy a house! Our budget is capped at \$1M, we want to see how much we can get with that budget (without considering the location). Our minimum requirement is 2,500 sq. ft. with 4 bedrooms, 2.5 bathrooms, a walk-in closet in the master, a .25-acre backyard, a 2-car garage, and must be a newly built home. Each house must meet our standards, but for our \$1M some may be able to exceed those minimums and offer additional value beyond them. Maybe a pool? Maybe a small gym? Program Offices have a budget, and they want to spend their budget to get the most value, especially with the end of the fiscal year. The price submission is still necessary, and it may be necessary to do a technical/price crosswalk to ensure the price and technical submissions match up, even if for a firm-fixed price (FFP) approach.

SPHERe is recommended for ordering in a multiple-award environment with a manageable number of potential responses. Highly recommended for task orders using FAR 16.505 procedures under \$10M (almost no protest risk). This may not be suitable for FAR 8.405 acquisitions due to the requirement to consider the lowest cost alternative; however, that may require a solicitation level protest. May be used in FAR Parts 15 and 13, however, potential responses may not be manageable if not using [Down-Selects](#).

For those familiar with the [Periodic Table of Acquisition Innovations \(PTAI\)](#), this technique embodies some principles of [Affordability](#) and [Betterment](#).

May use with [Confidence Ratings](#) and select a highly rated offeror whose approach is the best value of the Program Office based the evaluator's observations. No need to consider offerors that are not amongst the highly rated because price is moot. Could also use with [Comparative Evaluations](#), if you already had a manageable pool of offerors.

Key Considerations

- Ensure market research is thorough and comprehensive, so the team has confidence in their own budget.
- Eliminates the program official's concerns about expending or staying within budget.
- Reduces lengthy documentation needed to support a comparative evaluation.



- Takes the guess work out of where pricing will land in a [Highest Technically Rated Offeror with Reasonable Price \(HTRO-RP\)](#) approach.
- Simplifies the best value determination by eliminating the consideration of price; provides a streamlined means to make award to the highest technically rated offeror.
- Puts focus on quality performance, not price.
- Maximizes the Program Office's budget for the requirement.

Consider This Language

- N/A

Why Is This Innovative?

The best value continuum is never ending. At first, we thought it only considered tradeoffs and lowest priced technically acceptable (LPTA), as those are the only two mentioned in the FAR. Then came the highest technically evaluated offeror with a reasonable price (HTRO-RP), which became more heavily adopted as it streamlined the process for multiple-award vehicles AND prevailed in many bid protests. This could be *another* logical process considered within the best value continuum!

Questions? Contact The LAB at TheLAB@doc.gov. The LAB is happy to connect and think through the next steps with you.

*Disclaimer: The information contained in this document is merely an idea or opinion of The LAB and does not constitute formal legal or policy guidance of any kind.

