

**Selection of Award**  
**RFP: NNS10332109R**  
**A-3 Industrial Water and Steam Piping IDIQ**  
**March 30, 2010**

**PROCUREMENT HISTORY:**

National Aeronautics and Space Administration, John C. Stennis Space Center (SSC), has a need for a Piping Systems and Components contract in the A-3 Test Facility at SSC. Stennis Space Center (SSC) intends to award a new firm-fixed-price Indefinite Delivery, Indefinite Quantity (IDIQ) type of contract based on full and open competition. Specific projects will be defined in each of the subsequently issued task orders. The scope of work to be included in the task orders issued under this IDIQ contract will include labor, materials and equipment to design, procure, fabricate, handle inspect, clean, furnish, deliver to the site, construct and install, test, paint and support activation of the A3 Industrial Water and Steam piping systems, structural steel, and components as shown on the contract drawings and specifications for the A3 Facility at Stennis Space Center, Mississippi. The contractor is to provide complete systems ready to be operated and ready for activation in accordance with the specifications and drawings. The contract schedule will be aligned with the requirements and project schedule that are submitted by the A-3 Project Office which are, in turn, aligned with the master schedule of the Constellation Program. The work is further defined in the Specifications and Drawings.

The solicitation was broken out into several line items which are to be awarded as separate task orders. The first task order will be the A-3 Test Stand Industrial Water and Steam Piping Procurement and Delivery. **(The first task order is for an American Recovery and Reinvestment Act (ARRA) requirement.)** The work includes the mobilization of the project including design, handling, procurements of materials, fabrications in the shop, and delivery. Deliverables: Deliverables will be the receipt of materials on-site at Stennis A3 construction site in a designated staging area. The scope of work includes all labor, materials and equipment to design, procure, fabricate, handle, furnish, and deliver to the site in accordance with the specifications and drawings.

The second task order is for the Industrial Water and Steam Piping Installation Package, which includes the installation of the material produced under the first task order. **(The second task order is not an American Recovery and Reinvestment Act (ARRA) requirement.)** The work to be performed under this task consists of site mobilization, providing labor, equipment, materials and fabrication to complete the installation, testing and activation for the Industrial Water and Steam Piping package on the A-3 Test Stand at Stennis Space Center Mississippi. The scope of work for this package requires the contractor to design, furnish, supply, deliver and install pipe supports and structure, and to receive Government Furnished Property, and install, test, clean and check out piping systems.

This procurement is being conducted utilizing Best Value Selection (BVS), which seeks to select an offer based on the best combination of price and qualitative merit (including past performance, small business utilization and relevant experience) of the offers submitted and reduce the administrative burden on the Offerors and the Government. BVS predefines the value

characteristics that will serve as the discriminators among offers and is based on the premise that, if all offers are of approximately equal qualitative merit, award will be made to the Offeror with the lowest evaluated price (fixed-price contracts). However, the Government will consider awarding to an Offeror with higher qualitative merit if the difference in price is commensurate with added value. Conversely, the Government will consider making award to an Offeror whose offer has lower qualitative merit if the price differential between it and other offers warrant doing so.

The award will be made to the responsible offeror whose proposal is responsive, and offers the best value to the government. Best value will be determined based on an integrated assessment of each proposal in terms of past performance, relevant experience, small business utilization and price. Therefore, subjective judgment by the government is implicit in the evaluation process. **Past performance and Relevant Experience are significantly more important than Small Business Utilization. When combined, these three factors (Past Performance, Relevant Experience and Small Business Utilization) are significantly more important than price.** However, if an offeror does not have relevant past performance history, the offeror may not be evaluated favorably or unfavorably on past performance and will be given a neutral rating as detailed in this plan. In addition, award may be made to the other than low priced offer and may be made without conducting discussions.

A synopsis was posted on December 07, 2009 on the NASA Acquisition Internet Service (NAIS) Business Opportunities and Federal Business Opportunities (FedBizOps) websites. The Request for Proposal was issued on December 22, 2009. Three amendments were issued and the solicitation closed on February 25, 2010. The initial review was conducted on the proposals received. It was determined that an additional amendment was necessary to address evaluation criteria for the Small Business Utilization Factor, and to provide the changes to the delivery date of government furnished equipment. Since the solicitation had already closed Amendment 00004 was issued only to those offerors who had submitted their proposal prior to the original closing date.

The fourth amendment was issued on March 02, 2010 to address evaluation criteria and provide changes to the delivery date for government furnished equipment. All offerors were instructed to acknowledge the amendment and were authorized to amend their proposal as needed. The closing date was March 10, 2010.

Responses were received on March 10, 2010 to Amendment 00004, and an initial review of proposals was conducted.

**FINDINGS:**

1. A total of nine (9) proposals were received in response to this Request for Proposal (RFP). In accordance with the evaluation process outlined in the RFP, all offerors were evaluated to determine if all required information was provided. All nine (9) proposals submitted the required documentation, and were forwarded to the technical evaluation team for evaluation under Step Two of the evaluation process. The nine offerors received were as follows:

Innovative Builders, Inc  
Industrial Construction Incorporated  
Trans Gulf Constructors, Inc.  
American Tank & Vessel Inc.  
M & D Mechanical Contractors, Inc  
Sauer Incorporated  
Roy Anderson Corporation  
W.G. Yates & Sons Construction Company  
Southern Industrial Construction, LLC

During the initial phases of evaluation under Step 2, the technical personnel only received the offerors' past performance relevant experience, and small business utilization sections of the proposals. The pricing portion was evaluated by the procurement and technical personnel after completion of the initial technical evaluation in order to provide an unbiased (pricing perspective) technical review (e.g., so the technical evaluators would not potentially be influenced by having knowledge of the price before providing their technical reviews).

The evaluation team prepared a summary of their findings utilizing the best value process as described in the solicitation. As a result of the technical evaluation, it was determined that the evaluation team clearly understood the offerors' proposals and there was no requirement for clarifications or discussions with regard to the technical evaluation.

In compliance with the past performance, relevant experience, and price analysis criteria established in the RFP, the evaluation team evaluated the offerors and the results as follows:

## **PAST PERFORMANCE:**

The solicitation required offerors to provide information on relevant past contracts, preferably with the Government, (using Attachment I of the solicitation), listing contract number, contract value, agency name and point of contact (including address, telephone and fax numbers, and e-mail address, if available), what the contract was for, and status of the contract (current, terminated (if so, why), successfully completed). Offerors were also required to provide past performance documentation of their major subcontractors they intend on using for this project. The solicitation also states the evaluation will be based on information obtained from references provided by the Offeror of relevant past contracts performed in the past three years (Attachment I), as well as other past performance information obtained from other sources known by the Government or any other source that may have useful and relevant information. The possible ratings for past performance were Outstanding, Above Average, Neutral, Satisfactory, Marginal or Unsatisfactory. The result of each contractor's Past Performance evaluation is as follows:

**Innovative Builders:** Past performance for Innovative Builders includes relevant contracts performed within the last three years as required in the solicitation. Respondents comments included statements such as "hard working," "very fast," and high quality work." No major breaches of safety were identified during the evaluation process. Based on the information reviewed and gathered during the evaluation process the overall past performance for Innovative Builders was considered above average.

**Industrial Construction Incorporated:** Past performance for Industrial Construction Incorporated and their proposed subcontractor included relevant contracts performed within the last three years as well as contracts beyond the three year period specified in the solicitation. The projects outside the three year period were not considered in the past performance evaluation but will be considered for relevant experience. Comments received were mixed with a couple of outstanding, above average and satisfactory comments. No major breaches of safety were identified during the evaluation process. Based on the information reviewed and gathered during the evaluation process the overall past performance for Industrial Construction Incorporated was considered above average.

**Trans Gulf Constructors, Inc.:** Past performance for Trans Gulf Constructors, Inc. includes relevant contracts performed within the last three years as required in the solicitation. No major breaches of safety were identified during the evaluation process. Respondents were consistent in rating the past performance for Trans Gulf Constructors, Inc. as above average. Based on the information reviewed and gathered during the evaluation process the overall past performance for Trans Gulf Constructors, Inc. was considered above average.

**American Tank and Vessel:** Past performance for American Tank and Vessel and their proposed subcontractor included relevant contracts performed within the last three years as well as contracts beyond the three year period specified in the solicitation. The projects outside the three year period were not considered in the past performance evaluation but will be considered for relevant experience. Respondents comments included statements such as "outstanding in all areas," and " they are at the top of the list when these type of services are needed." No major breaches of safety were identified during the evaluation process. Respondents provided both outstanding and above average ratings with more outstanding responses than above average.

Based on the information reviewed and gathered during the evaluation process the overall past performance for American Tank and Vessel was considered outstanding.

M & D Mechanical Contractors, Inc: Past performance for M & D Mechanical Contractors, Inc and their proposed subcontractor included relevant contracts performed within the last three years as well as contracts beyond the three year period specified in the solicitation. The projects outside the three year period were not considered in the past performance evaluation but will be considered for relevant experience. Respondents stated that they were a really good mechanical contractor with a good quality program and consistently rated their past performance as above average. No major breaches of safety were identified during the evaluation process. Based on the information reviewed and gathered during the evaluation process the overall past performance for M & D Mechanical Contractors, Inc was considered above average.

Sauer Incorporated: Past performance for Sauer Incorporated included relevant contracts performed within the last three years. Respondents provided favorable comments and indicated they had depth in their pipe welders, along with a high quality welding program, and would do business with them again. Comments included statements such as "good job," and "excellent safety program." No major breaches of safety were identified during the evaluation process. Respondents consistently rated the past performance as above average. Based on the information reviewed and gathered during the evaluation process the overall past performance for Sauer Incorporated was considered above average.

Roy Anderson Corporation: Past performance for Roy Anderson Corporation and their proposed subcontractor included relevant contracts performed within the last three years. Comments included statements such as "I would highly recommend the team for any future projects," and "They completed all work ahead of schedule and will within budget." Respondents rated Roy Anderson Corporation and their proposed subcontractors past performance as either above average or outstanding with more outstanding responses than above average. No major breaches of safety were identified during the evaluation process. Based on the information reviewed and gathered during the evaluation process the overall past performance for Roy Anderson Corporation was considered outstanding.

W.G. Yates & Sons Construction Company: Past performance for W.G. Yates & Sons Construction Company included three relevant contracts performed within the last three years. All respondents consistently rated W.G. Yates & Sons Construction Company's past performance as outstanding, and indicated they were "top notch" and that they would do business with them again. No major breaches of safety were identified during the evaluation process. Based on the information reviewed and gathered during the evaluation process the overall past performance for W.G. Yates & Sons Construction Company was considered outstanding.

Southern Industrial Construction, LLC: Southern Industrial Construction, LLC submitted an incomplete past performance form which indicated a startup company 09/2009. No past performance information was provided for any subcontractor or teaming partner. Since no record exists and the contractor has no past performance to report, Southern Industrial Construction, LLC was rated Neutral.

## **RELEVANT EXPERIENCE:**

In accordance with the evaluation process outlined in Section M of the solicitation, relevant experience is the accomplishment of work that is comparable or related to the technical work required by this solicitation, and is of similar scope, size and complexity. The possible ratings for relevant experience were Low, Moderate, or High Risk. The evaluation team assigned the following ratings for the relevant experience:

**Innovative Builders:** Based on the information provided by Innovative Builders it appears that Innovative Builders has very little experience in projects of this kind. While portions of each project contained similar work the experience submitted left significant doubt that the offeror can satisfactorily perform this kind of work. Experience presented did not clearly demonstrate projects with similar complexities of working at high elevations as required for the project in this solicitation. Therefore, based on Innovative Builders' relevant experience they were considered to be a high risk.

**Industrial Construction Incorporated:** Based on the information provided by Industrial Construction Incorporated it appears that Industrial Construction Incorporated and their proposed subcontractor have extensive experience in projects of this kind including the routing of complex mechanical piping systems at elevated areas. Industrial Construction Incorporated and their proposed subcontractor both have ongoing projects which are considered similar in size, scope and complexity to the requirements in our solicitation. Therefore, little doubt exists that Industrial Construction Incorporated and their proposed subcontractor can satisfactorily perform this kind of work, and their relevant experience was considered to be a low risk.

**Trans Gulf Constructors, Inc.:** Based on the information provided by Trans Gulf Constructors, Inc. it appears that Trans Gulf Constructors, Inc. has limited experience in projects of this kind. While portions of each project contained similar work the experience submitted left some doubt that the offeror can satisfactorily perform this kind of work. Information presented did not clearly demonstrate extensive experience with projects of similar complexities and working at high elevations or contain projects with similar amounts of mechanical piping as required for the project in this solicitation. Therefore, based on Trans Gulf Constructors, Inc.'s relevant experience they were considered to be a moderate risk.

**American Tank and Vessel:** Based on the information provided by American Tank and Vessel it appears that American Tank and Vessel and their proposed subcontractor have extensive experience in projects of this kind including the routing of complex mechanical piping systems at elevated areas. American Tank and Vessel and their proposed subcontractor have experience with projects considered to be similar in size, scope and complexity to the requirements in our solicitation. Therefore, little doubt exists that American Tank and Vessel and their proposed subcontractor can satisfactorily perform this kind of work, and their relevant experience was considered to be a low risk.

**M & D Mechanical Contractors, Inc:** Based on the information provided by M & D Mechanical Contractors, Inc it appears that M & D Mechanical Contractors, Inc has extensive experience in projects of this kind. Their extensive experience in the area of mechanical piping systems, especially routing of complex piping in elevated areas, structural steel, concrete, and

minor electrical work is considered similar in size, scope, and complexity to the requirements in our solicitation. Therefore little doubt exists that M&D Mechanical Contractors inc, can satisfactorily perform this kind of work and their relevant experience was considered to be a low risk.

**Sauer Incorporated:** Based on the information provided by Sauer Incorporated it appears that Sauer Incorporated has extensive experience in projects of this kind including the routing of complex mechanical piping systems in elevated areas. Their experience in the area of mechanical piping systems and large mechanical construction contracts is considered similar in size, scope and complexity to the requirements in our solicitation. Therefore, little doubt exists that Sauer Incorporated and their proposed subcontractor can satisfactorily perform this kind of work, and their relevant experience was considered to be a low risk.

**Roy Anderson Corporation:** Based on the information provided by Roy Anderson Corporation it appears that Roy Anderson Corporation and their proposed subcontractor have extensive experience in projects of this kind including the routing of complex mechanical piping systems in elevated areas. Roy Anderson Corporation and their proposed subcontractor have completed projects which are considered similar in size, scope and complexity to the requirements in our solicitation. Therefore, little doubt exists that Roy Anderson Corporation and their proposed subcontractor can satisfactorily perform this kind of work, and their relevant experience was considered to be a low risk.

**W.G. Yates & Sons Construction Company:** Based on the information provided by W.G. Yates & Sons Construction Company it appears that W.G. Yates & Sons Construction Company has extensive experience in projects of this kind. Their extensive experience in the area of mechanical piping systems, especially complex routing of piping in elevated areas, structural steel, concrete, and minor electrical work is considered similar in size, scope and complexity to the requirements in our solicitation. Therefore, little doubt exists that W.G. Yates & Sons Construction Company and their proposed subcontractor can satisfactorily perform this kind of work, and their relevant experience was considered to be a low risk.

**Southern Industrial Construction, LLC:** Southern Industrial Construction, LLC submitted an incomplete past performance form which identified them as a startup company 09/2009. No relevant experience information was provided for any subcontractor or teaming partner. Since no relevant experience was provided significant doubt exists that the offeror can satisfactorily perform this kind of work. Therefore, based on Southern Industrial Construction, LLC's relevant experience they were considered to be a high risk.

### **SMALL BUSINESS UTILIZATION**

The evaluation of Small Business Subcontracting and Commitment to the Small Business Program applies to all offerors, except that Small Businesses are not required to submit a Small Business Subcontracting Plan. The evaluation team will review the contractor's proposal and assign a rating of high, medium, or low for Small Business Utilization base on the information provided by each offeror. A higher level of utilization will result in a "High" rating which is more favorable.

**Innovative Builders:** Very little information was provided by Innovative Builders. A sub-contracting plan was not required for Innovative Builders. Their commitment to the small business program was not enforceable. Innovative Builders did identify their SDB Participation Targets requested in section c of Attachment K. Based on the information provided by Innovative Builders their utilization of Small Business Concerns was considered moderate and they were given a medium rating in this area.

**Industrial Construction Incorporated:** Very little information was provided by Industrial Construction Incorporated. A sub-contracting plan was not required for Industrial Construction Incorporated. Industrial Construction Incorporated provided a letter which listed categories of work but no subcontractors by name. They did not submit Attachment K and did not adequately address their commitment to the small business program or clearly identify enforceable or non-enforceable commitments. Industrial Construction Incorporated did not provide information for the SDB Participation Targets requested in section c of Attachment K. Based on the information provided by Industrial Construction Incorporated their utilization of Small Business Concerns was considered minimal and were given a low rating in this area.

**Trans Gulf Constructors, Inc.:** Very little information was provided by Trans Gulf Constructors, Inc.. A sub-contracting plan was not required for Trans Gulf Constructors, Inc.. Trans Gulf Constructors, Inc. submitted their small business utilization information requested in Attachment K. Their submittal included information on their commitment to the small business program but did not clearly identify if they were enforceable or non-enforceable. Trans Gulf Constructors, Inc. did not adequately identify their SDB Participation Targets requested in section c of Attachment K. Based on the information provided by Trans Gulf Constructors, Inc. their utilization of Small Business Concerns was considered minimal and they were given a low rating in this area.

**American Tank and Vessel:** American Tank and Vessel provided their subcontracting plan. American Tank and Vessel submitted the first page of attachment K however section c of Attachment K containing the SDB Participation Contract Targets was not included. Their submittal included a description of the work to be performed by small business in their commitment to the small business program but did not clearly identify names or if they were enforceable or non-enforceable. Based on the information provided by American Tank and Vessel their utilization of Small Business Concerns was considered minimal and they were given a low rating in this area.

**M & D Mechanical Contractors, Inc:** M & D Mechanical Contractors, Inc provided their subcontracting plan. M & D Mechanical Contractors, Inc completed and submitted attachment K. Their submittal included their commitment to the small business program and clearly identified the subcontractor by name and indicated if they were enforceable or non-enforceable.

The contractor included very thorough listing of the dollars and percentages for their SDB Participation Contract Targets. Based on the information provided by M & D Mechanical Contractors, Inc their utilization of Small Business Concerns contains numerous enforceable commitments with a high level of utilization of small business concerns, therefore they were given a high rating in this area.

**Sauer Incorporated:** Sauer Incorporated provided their subcontracting plan. Sauer Incorporated completed and submitted attachment K. Their submittal included their commitment to the small business program and clearly identified the subcontractor by name and indicated if they were enforceable or non-enforceable. The contractor included a listing of the dollars and percentages for their SDB Participation Contract Targets. Based on the information provided by Sauer Incorporated, their utilization of Small Business Concerns does not contain any enforceable commitments and their utilization of small business concerns is considered moderate, therefore they were given a medium rating in this area.

**Roy Anderson Corporation:** Roy Anderson Corporation provided their subcontracting plan which was detailed and well thought out. Roy Anderson Corporation completed and submitted attachment K. Their submittal included their commitment to the small business program and clearly identified the subcontractor by name and indicated if they were enforceable or non-enforceable. The contractor included a listing of the dollars and percentages for their SDB Participation Contract Targets. Based on the information provided by Roy Anderson Corporation their utilization of Small Business Concerns contains more than one enforceable commitment with a high level of utilization of small business concerns, therefore they were given a high rating in this area.

**W.G. Yates & Sons Construction Company:** W.G. Yates & Sons Construction Company provided their subcontracting plan for this project. W.G. Yates & Sons Construction Company completed and submitted attachment K. Their submittal included their commitment to the small business program and clearly identified the subcontractor by name and indicated if they were enforceable or non-enforceable. The contractor included a listing of the dollars and percentages for their SDB Participation Contract Targets. Based on the information provided by W.G. Yates & Sons Construction Company their utilization of Small Business Concerns contains more than one enforceable commitments with a high level of utilization of small business concerns, therefore they were given a high rating in this area.

**Southern Industrial Construction, LLC:** Small Business information was provided by Southern Industrial Construction, LLC. A sub-contracting plan was not required for Southern Industrial Construction, LLC. Their submittal included their commitment to the small business program and clearly identified the subcontractors by name and indicated if they were enforceable or non-enforceable, however the Offeror did not complete the SDB Participation Targets requested in section c of Attachment K. Based on the information provided by Southern Industrial Construction, LLC their utilization of Small Business Concerns was considered moderate and were given a medium rating in this area.

**PRICE EVALUATION:**

In accordance with the solicitation all offerors were required to include a price for each item contained in Section B1 of the solicitation. In Accordance with FAR 15.404-1(a)(1) the Contracting Officer is responsible for evaluating the reasonableness of the offered prices. The analytical techniques and procedures described in subject reference were utilized during the price analysis evaluation. Specifically, FAR 15.404-1(b)(2)(i), comparison of proposed prices received, were used to determine price reasonableness.

In an effort to compare the proposed prices to establish a basis for fair and reasonableness, we compared prices of all offerors. There were a total of 9 responsive proposals submitted in response to the solicitation. Prices ranged from the lowest price offer of \$8,190,000.00 to the highest price offer of \$15,489,457.00. The average price submitted was \$11,961,254.44.

It was noticed that of the nine offerors received, two were considerably higher than the others, and two were considerably lower than the other offerors received. Five of the offerors fell closely within a tight range and were either less than \$700K higher or lower than the average pricing of \$11,961,254.44. The lowest price received was more than \$3.77M less than the average price, and were considerably less than the prices received from the other eight offerors. The two highest price offers received were more than \$3.0M higher than the average price and were considerably higher than the prices received from other offerors.

It was noted that the all of the offerors who's pricing fell within the tight range of the average price also appeared to have extensive experience. One of the offerors with extensive experience submitted a price that was \$2.9 below the average price received. The likely cause for the lower price may be attributed to the economic downturn in the construction industry that has forced companies to submit their most competitive prices. The highly competitive market forces companies to evaluate the overhead and profit margins in their pricing. It is possible that the competitive market forced companies to significantly lower their overhead and profit margins. Based on the proposals received in this competitive acquisition, all prices are considered to be both fair and reasonable.

Overview of the ratings received for each offeror:

Company Name	Past Performance	Relevant Experience (as a risk factor)	Small Business Utilization
Innovative Builders	Above Average	High Risk	Medium
ICI	Above Average	Low Risk	Low
Trans-Gulf Constructors, Inc.	Above Average	Moderate Risk	Low
American Tank and Vessel	Outstanding	Low Risk	Low
M & D Mechanical Contractors,	Above Average	Low Risk	High
Sauer Incorporate	Above Average	Low Risk	Medium
Roy Anderson Corporation	Outstanding	Low Risk	High
W.G. Yates & Sons Company	Outstanding	Low Risk	High
Southern Construction, Inc.	Neutral	High Risk	Medium

## SELECTION DECISION:

This procurement is being conducted utilizing Best Value Selection (BVS), which seeks to select an offer based on the best combination of price and qualitative merit (including past performance, small business utilization and relevant experience) of the offers submitted and reduce the administrative burden on the Offerors and the Government. BVS predefines the value characteristics that will serve as the discriminators among offers and is based on the premise that, if all offers are of approximately equal qualitative merit, award will be made to the Offeror with the lowest evaluated price (fixed-price contracts). However, the Government will consider awarding to an Offeror with higher qualitative merit if the difference in price is commensurate with added value. Conversely, the Government will consider making award to an Offeror whose offer has lower qualitative merit if the price differential between it and other offers warrant doing so.

In accordance with the evaluation process outlined in Section M of the solicitation, the award will be made to the responsible offeror whose proposal is responsive, and offers the best value to the government. Best value will be determined based on an integrated assessment of each proposal in terms of past performance, relevant experience, small business utilization and price. Therefore, subjective judgment by the government is implicit in the evaluation process. As defined in the solicitation: **Past performance and Relevant Experience are significantly more important than Small Business Utilization. When combined, these three factors (Past Performance, Relevant Experience and Small Business Utilization) are significantly more important than price.** However, if an offeror does not have relevant past performance history, the offeror may not be evaluated favorably or unfavorably on past performance and will be given a neutral rating as detailed in this plan. In addition, award may be made to the other than low priced offer and may be made without conducting discussions.

Before making my selection, I looked at the selection criteria to determine the importance of the price and the non-priced factors. As stated in the solicitation, past performance and relevant experience are significantly more important than small business utilization. When combined these three factors are significantly more important than price. Because the non-priced factors were significantly more important than price, I first looked at all offerors ratings and compared the ratings to see who the highest rated Offeror was. I found two offerors that received the highest possible ratings in all areas, with an outstanding rating for past performance, low risk for relevant experience, and high for small business utilization. All other offerors received a lower rating in one or more areas. I then looked to see if any of the highest rated offerors submitted the lowest price. I found that one of the highest rated offerors submitted the third lowest price.

Next, I looked at the lower priced offerors to see what ratings they received. I saw that the lowest price offeror received a neutral for past performance along with the lowest possible rating of a high risk for relevant experience and the second highest rating of medium for small business utilization. I noticed that their price was considerably less than all other offerors prices. This significantly low price, combined with no past performance history, indicates a lack of understanding for this scope of work. The past performance rating of neutral was not considered favorable or unfavorable however; the rating of high risk for relevant experience, coupled with a significantly lower price unacceptably

increases the potential risk of non-performance. Therefore I removed them from further consideration.

The second lowest price offeror received a lower rating than the highest rated offeror in only one of the three possible areas. The second lowest price offeror received an above average past performance rating which is the second highest rating possible for past performance along with the highest possible rating of low risk for relevant experience, and the highest possible rating of "High" for small business utilization. Review of the past performance information submitted found comments indicating they are a really good mechanical contractor with a good quality program they were consistently rated as above average. Their extensive experience in the area of mechanical piping systems, especially routing of complex piping in elevated areas, structural steel, concrete, and minor electrical work is considered similar in size, scope, and complexity and was considered to be a low risk. Their Small Business Utilization was rated high and they have identified numerous enforceable small business subcontracts. I also noticed that their price of \$9,024,000.00 was also considerably less than the offer who received the highest ratings in all areas. Therefore I looked further at the third lowest price offeror to determine if the difference in price is commensurate with added value.

The third lowest price offeror received the highest ratings in all areas. In past performance respondents indicated that they were "top notch," they would hire them again and their performance was rated as outstanding. In relevant experience I noticed that the offeror had extensive experience with projects that were considered similar in size, scope and complexity. They have performed many different projects with extensive amounts of high temperature and pressure steam piping, cooling water piping, structural steel, concrete and electrical projects, including projects with complex piping in elevated areas and were considered a low risk. Their Small Business Utilization was rated high and they have identified more than one enforceable small business subcontract. The third lowest price was approximately 6% below the average price submitted, and approximately \$2.3M above the second lowest price offeror who received a lower rating only in past performance.

In review of the other offerors submitted, it was noted that while they may have received the same highest possible rating as the third lowest price offeror, they also submitted higher prices. Any lower priced offeror received lower ratings in accordance with the established evaluation criteria. With our selection criteria and the evaluation results, I did not see any added value that would warrant awarding to any of the other offerors who also received the same highest rating as the third lowest price offeror or to a lower rated offer who submitted a higher price than the third lowest priced offeror. Therefore I looked further to determine if a tradeoff would be in the best interest of the government.

When comparing the second and the third lowest price offeror's I noted that the second lowest price offer, received an above average rating for past performance, while receiving the same ratings in relevant experience and small business utilization. I also noted that the second lowest price offer provided a significant cost savings of more than \$2M less than the third lowest price offer. After review of the two offerors rating in the non priced factors, I did not see a significant benefit to the Government to support awarding to the Offeror having a higher qualitative merit in only one area that would justify an increase cost of more than \$2M.

The evaluation criteria in the solicitation states; **Past performance and Relevant Experience are significantly more important than Small Business Utilization. When combined, these three factors (Past Performance, Relevant Experience and Small Business Utilization) are significantly more important than price.** I also noticed in section M, Paragraph M.1 of the solicitation where it explains the best value selection, that the Government will consider making award to an Offeror whose offer has lower qualitative merit if the price differential between it and other offers warrant doing so. Based on the above information I conclude that the second lowest price offeror provides the best value to the Government. They received the second highest possible rating of above average for past performance; a low risk for relevant experience, and high small business utilization coupled with their significantly lower price, which provides the overall best value to the Government. Accordingly, I selected the second lowest price offeror submitted by M&D Mechanical Contractors Inc for award of the \$25M IDIQ Construction Contract which includes the first two task orders for a total cost of \$9,024,000.00.

  
Charles J. Heim  
Contracting Officer