

**Source Selection Statement for the
Neutral Buoyancy Laboratory (NBL) and the Space Vehicle Mockup Facility
(SVMF) Operations Contract (NSOC)
National Aeronautics and Space Administration**

On July 22, 2010, I, along with other key officials of the National Aeronautics and Space Administration's (NASA's) Johnson Space Center (JSC), met with the Source Evaluation Board (SEB) appointed to evaluate proposals submitted in response to the Neutral Buoyancy Laboratory (NBL) and the Space Vehicle Mockup Facility (SVMF) Operations Contract (NSOC) Solicitation, NNJ09040809R. The presentation charts represent the final source evaluation report and are herein incorporated by reference.

I. Procurement History

This contract provides for the operation, maintenance, and sustaining engineering for two human space flight training facilities at the NASA Johnson Space Center – the Neutral Buoyancy Laboratory and the Space Vehicle Mockup Facility. The purpose of the NBL is to support the International Space Station Program (ISSP), the Space Shuttle Program (SSP), the Constellation Program (CxP), and other JSC programs requiring astronaut and cosmonaut training; real-time mission support; timeline evaluations; extravehicular activity (EVA) procedure development and verification; flight hardware design, development, and validation; SCUBA training and evaluations; bailout training; and public affairs support. The NBL also supports external customers, thus reducing NASA's cost to operate the facility and creating synergy with customer organizations engaging in operations similar or complementary to NASA's. The purpose of the SVMF is to support the ISSP, SSP, CxP, and other JSC programs for space flight training; real-time mission support; mission development; vehicle sustaining engineering; developmental engineering analysis; sustaining engineering; public affairs support; and external customers.

NSOC is a Cost Plus Award Fee/Incentive Fee (CPAF/IF) contract with Baseline and Indefinite Delivery/Indefinite Quantity (IDIQ) Delivery Orders. The basic period of performance for this acquisition is 3 years, from October 1, 2010 through September 30, 2013. There are two 1-year options. The Not-To-Exceed (NTE) amount for the basic IDIQ effort is \$18 million. The first 1-year option provides an \$8 million addition to the basic IDIQ NTE value. The second 1-year option provides a \$10 million addition to the basic IDIQ NTE value. This acquisition is a follow-on contract to the current NSOC.

The contracting officer issued a Request for Proposals (RFP) NNJ09040809R on January 29, 2010. Amendment 1 was posted on February 10, 2010 to provide some revisions and replacement pages and to move Constellation (Cx) Operations from baseline into IDIQ. Amendment no. 2 was posted on February 24, 2010 to provide a list of questions and

answers. Amendment 3 was posted on February 26, 2010 to provide a list of questions and answers and to provide some revisions and replacement pages. Amendment 4 was posted on March 10, 2010 to provide a list of questions and answers and to provide some revisions and replacement pages. Amendment 5 was posted on May 21, 2010 to provide some revisions, clause updates, and replacement pages. Amendment 6 was posted on May 26, 2010 to provide some revisions, clause updates, new DRD, and replacement pages. Amendment 7 was posted on June 7, 2010 to provide some revisions, clause and DRD updates, and replacement pages.

This procurement was conducted as a full and open competition in accordance with FAR Part 15, Contracting by Negotiation. The RFP divided the proposals into four volumes with two different due dates. Volume II, related to past performance, was due on February 27, 2010. Volume I, related to mission suitability, Volume III, related to cost, and Volume IV, related to the model contract, were due on March 29, 2010. Complete proposals were received from the following companies:

Raytheon Technical Services Company LLC
555 Forge River Rd., Suite 120
Webster, TX 77598

ERC Incorporated
4901 Corporate Drive, Suite E
Huntsville, AL 35805

United Space Alliance, LLC
600 Gemini Avenue
Houston, TX 77058-2708

A Past Performance Volume was submitted by the following company; however, this Offeror decided not to submit the remaining proposal volumes for the NSOC procurement on March 12, 2010:

Jacobs Technology, Inc.
600 William Northern Blvd.
Tullahoma, TN 37398

As provided in Section M of the RFP, Evaluation Factors For Award:

The Government will award a contract resulting from this solicitation to the offeror whose proposal represents the best value after evaluation. This procurement shall be conducted utilizing a combination of mission suitability, past performance, and cost/price evaluation factors.

Under the mission suitability factor, the proposals were evaluated to assess (1) the effectiveness, clarity, soundness, comprehensiveness, feasibility, realism, suitability, and risk management of the proposed approach and rationale; (2) the degree to which the Offeror demonstrates its understanding of the total requirements of the SOW; and (3) the

ability of the Offeror to perform the contract. Each proposal received a mission suitability score based on the following subfactors and associated numerical weights.

Subfactor 1: Technical Approach	550 points
Subfactor 2: Management Approach/Safety & Health	350 points
Subfactor 3: Small Business Participation	100 points
Total	1000 points

The mission suitability subfactors were evaluated and assigned an adjectival rating using the following scale: Excellent, Very Good, Good, Fair, and Poor.

Since past performance can be a significant predictor of performance under the proposed contract, the past performance of each offeror (including past performance of team members and major subcontractors) was evaluated. The evaluation was based on information provided by the Offeror in its narrative, from the Past Performance Questionnaires, and from communications with listed references, as well as any other information obtained independently by the SEB. Past performance was evaluated and rated using the following scale: Very High Level of Confidence, High Level of Confidence, Moderate Level of Confidence, Low Level of Confidence, Very Low Level of Confidence, and Neutral/Unknown Confidence.

Under the cost/price factor, the Government performed a price analysis to ensure the final agreed-to prices are fair and reasonable, and also performed a cost analysis, including a cost realism analysis, in accordance with FAR 15.305, FAR 15.404, and NASA FAR Supplement 1815.305. As part of the cost realism analysis, information proposed in Volume III, Cost Proposal, and Volume I, Mission Suitability, was evaluated for specific elements of the Offeror's proposed cost estimate to determine whether the estimated proposed cost elements (1) were realistic for the work to be performed; (2) reflected a clear understanding of the requirements; and (3) were consistent with the unique methods of performance and materials described in the Offeror's technical proposal. Based on this cost realism analysis, the Government determined the probable cost of performance for each offeror, which may differ from the proposed cost and reflects the Government's best estimate of the cost of any contract that is most likely to result from the Offeror's proposal. Each proposal was assessed a cost/price level of confidence by the SEB. The Cost/Price Confidence Levels utilized were: High, Medium, and Low.

As provided in the solicitation, of the three evaluation factors, mission suitability and past performance, when combined, are significantly more important than cost. Mission suitability is more important than past performance. Mission suitability and cost are approximately equal in importance.

II. Evaluation of Initial Proposals

All three proposals were determined to be acceptable and were evaluated in accordance with FAR Part 15 and NASA FAR Supplement (NFS) Part 1815 as well as the RFP. The results of the initial evaluation were presented to me, the source selection authority

(SSA), on May 19, 2010, and are summarized below.

Raytheon Technical Services Inc.

Under the mission suitability factor, Raytheon received a total point score of 866 out of 1000 points. Raytheon received 8 significant strengths, 6 strengths, 9 weaknesses, and 1 significant weakness across the three subfactors.

Under the technical approach subfactor, Raytheon received an adjectival rating of “very good.” Raytheon received 3 significant strengths, 2 strengths, 1 significant weakness, and 1 weakness.

Under the management approach/safety and health subfactor, Raytheon received an adjectival rating of “very good.” Raytheon received 4 significant strengths, 4 strengths, and 6 weaknesses.

Under the small business utilization subfactor, Raytheon received an adjectival rating of “very good.” Raytheon received 1 significant strength and 2 weaknesses.

Under the cost/price factor, adjustments in the proposed cost were made for non-labor resources and Material Handling, and an incumbent labor adjustment was made for a lack of escalation in the baseline. In addition, adjustments were made for non-labor resources, inadequate staffing, and incumbent labor rates for the sample delivery order. The SEB had a “low” level of confidence in the probable cost due to the following: 1) the prime and several major subcontractors had not followed the RFP instructions for completing the cost templates, which complicated the initial analysis; and 2) the DCAA rate and factors requests had not all been received by the SEB, causing additional uncertainty.

Under the past performance factor, Raytheon received an adjectival rating of “very high.” Raytheon received 6 significant strengths and 2 strengths.

ERC Incorporated

Under the mission suitability factor, ERC’s proposal received a total point score of 347. ERC received 4 strengths, 7 weaknesses, and 4 significant weaknesses across the three subfactors.

Under the technical approach subfactor, ERC’s proposal received an adjectival rating of “poor.” ERC received 1 strength, 2 significant weaknesses, and 3 weaknesses.

Under the management approach/safety and health subfactor, ERC’s proposal received an adjectival rating of “fair.” ERC received 2 strengths, 2 significant weaknesses, and 4 weaknesses.

Under the small business utilization subfactor, ERC’s proposal received an adjectival rating of “good.” ERC received 1 strength.

Under the cost/price factor, adjustments in the proposed cost were made for skill mix, and incumbent labor in the baseline. In addition, adjustments were made for inadequate staffing and incumbent labor for the sample delivery order. The SEB had a “low” level of confidence in the probable cost due to the fact the DCAA rate and factors requests had not all been received by the SEB, causing additional uncertainty.

Under the past performance factor, ERC’s proposal received an adjectival rating of “high.” ERC received 3 significant strengths and 1 strength.

United Space Alliance, LLC (USA)

Under the mission suitability factor, USA’s proposal received a total point score of 802 out of 1000 points. USA received 4 significant strengths, 11 strengths, 8 weaknesses, and 2 significant weaknesses across the three subfactors.

Under the technical approach subfactor, USA’s proposal received an adjectival rating of “very good.” USA received 3 significant strengths, 4 strengths, 1 significant weakness, and 1 weakness.

Under the management approach/safety and health subfactor, USA’s proposal received an adjectival rating of “very good.” USA received 1 significant strength, 6 strengths, 1 significant weakness, and 6 weaknesses.

Under the small business utilization subfactor, USA’s proposal received an adjectival rating of “good.” USA received 1 strength and 1 weakness.

Under the cost/price factor, adjustments in the proposed cost were made for inadequate staffing, incumbent labor rates, a rate error, and Material Handling in the baseline. In addition, adjustments were made for incumbent labor rates and a rate error in the sample delivery order. The SEB had a “low” level of confidence in the probable cost due to the following: 1) the prime and several major subcontractors had not followed the RFP instructions for completing the cost templates, which complicated the initial analysis and 2) the DCAA rate and factors requests had not all been received by the SEB, causing additional uncertainty.

Under the past performance factor, USA’s proposal received an adjectival rating of “high.” USA received 2 significant strengths and 2 strengths.

Based on the findings from the SEB, I determined that award on initial proposals was not appropriate, and I established a competitive range of the most highly rated proposals. The Offerors determined to be within the competitive range included Raytheon and USA. Consequently, I authorized the SEB to proceed with discussions leading to the submissions of final proposal revisions with those two Offerors. ERC’s proposal was not among the most highly rated proposals, and thus ERC was not included in the competitive range. ERC was notified by letter sent on May 19, 2010 of the results of

their proposal evaluation. ERC requested a post-award debriefing by letter dated May 21, 2010.

III. Discussions and Evaluation/Findings of Final Proposal Revisions (FPRs)

Both Raytheon and USA were informed of their inclusion in the competitive range via letters dated May 19, 2010. Discussions were held with both Offerors on June 2, 2010 and June 3, 2010 and concluded on June 11, 2010. FPR's from both Offerors were received on June 16, 2010.

Raytheon Technical Services Inc.

Under the mission suitability factor, Raytheon's proposal received a total point score of 905 out of 1000 points. Eight of the weaknesses were adequately addressed in the FPR. However, one significant weakness and one weakness were not adequately addressed. Raytheon received 8 significant strengths, 6 strengths, 1 weakness, and 1 significant weakness across the three subfactors.

Under the technical approach subfactor, Raytheon's proposal received an adjectival rating of "very good." Raytheon received 3 significant strengths, 2 strengths, and 1 significant weakness. The SEB assessed a significant strength for the proposal's approach to conducting pressurized suit and dive operations in the NBL, demonstrating a high level of understanding of the requirements, and safe, comprehensive and mature processes; this approach greatly increases the likelihood of success in this critical area. A second significant strength was found for the proposal's comprehensive and effective approach to the SVMF training event, which demonstrates an extremely thorough understanding of the SOW requirements; this greatly increases the likelihood of Raytheon successfully supporting the SVMF training activities during this contract. The SEB assessed the third significant strength in the subfactor for the proposal's approach to operating and maintaining critical systems at the NBL, using comprehensive processes and sound system engineering and maintenance principles; this greatly increases the likelihood of safe and successful operation of those systems.

The SEB also assessed Raytheon's proposal with a significant weakness under technical approach. Raytheon's proposed plan for meeting the requirements of the sample DO lacks clarity and realism with respect to the labor and non-labor resources proposed. The plan does not demonstrate adequate understanding of technical requirements and estimating techniques, which appreciably increases the risk of failing to meet major mock-up and other IDIQ project requirements.

Under the management approach/safety and health subfactor, Raytheon's proposal received an adjectival rating of "excellent." Raytheon received 4 significant strengths and 4 strengths. The SEB found a significant strength for the proposal's demonstrated commitment to use highly qualified/certified incumbent personnel for critical skills and all key leadership positions; this provides a sound and comprehensive approach that

effectively meets the requirements for retaining a qualified workforce. The SEB cited a second significant strength in Raytheon's proposal for a clear and comprehensive safety and health program approach, greatly enhancing the potential of mishap prevention and successful contract performance. The proposal also rated a significant strength for its demonstrated commitment to substantial cost savings for MOD from external customer revenue, significantly exceeding NASA's targets, and for providing a suitable and realistic approach for reducing the net cost to the government over the course of the contract. The fourth significant strength the SEB assessed under management approach recognized the Raytheon proposal's realistic and comprehensive contract phase-in plan that only requires half the time allotted by the government and is very low risk; this greatly increases the likelihood that contract transition will proceed smoothly and without issue.

Under the small business utilization subfactor, Raytheon's proposal received an adjectival rating of "very good." Raytheon received 1 significant strength and 1 weakness. The SEB assigned the significant strength for the proposal's commitment to the Small Business program, as reflected in its proposed subcontracts, teaming arrangements and allocation of "high technology" work to small business partners; this greatly enhances the likelihood of successful small business performance.

Under the cost/price factor, adjustments in the proposed cost were made for DCAA audit findings in the baseline. In addition, adjustments were made for non-labor resources, inadequate staffing, and incumbent labor rates for the sample delivery order. The SEB had a "high" level of confidence in the probable cost.

Under the past performance factor, the level of confidence rating for Raytheon's proposal remained "very high" with no new strengths or weaknesses identified. Raytheon received six significant strengths and two strengths under the Past Performance factor. The SEB assigned significant strengths for Raytheon and its major subcontractor's extensive experience in highly relevant diving operations; for its and its major subcontractors' superior past safety performance, as evidenced by low OSHA incident rates and reduced insurance premiums; for its sustained excellence in all areas of the very highly relevant, current NBL/SVMF Operations Contract, which is a strong indicator of high potential for similar successful performance here; for its superior commitment to small businesses and small disadvantaged businesses, receiving numerous small business awards as well as having excellent past performance ratings in this regard over the past five and one-half years; for performance across multiple relevant contracts demonstrating design, operation and maintenance experience regarding life support and hazardous systems; and for outstanding customer service by Raytheon and its subcontractors.

United Space Alliance, LLC (USA)

Under the mission suitability factor, USA's proposal received a total point score of 896 out of 1000 points. The two significant weaknesses and four of the weaknesses were adequately addressed in the FPR. However, four weaknesses were not addressed

adequately. USA received 4 significant strengths, 11 strengths, and 4 weaknesses across the three subfactors.

Under the technical approach subfactor, USA's proposal received an adjectival rating of "excellent." USA received 3 significant strengths and 4 strengths. The SEB assessed a significant strength for the proposed approach for conducting pressurized suit and dive operations in the NBL, which demonstrated a high level of understanding of the requirements with a sound and comprehensive plan; this greatly increases the likelihood of providing safe and effective pressurized suit and dive operations at the NBL. The USA proposal received a second significant strength for the proposed comprehensive approach for supporting the SVMF training event, which demonstrated a very thorough understanding of the SOW requirements; this greatly increases the likelihood of successfully supporting SVMF training activities during this contract. The third significant strength recognized USA's proposed plan for meeting the requirements of the sample DO, which had clarity, detail and realism with respect to cost, schedule and skill mix; this greatly increases the likelihood of success in meeting IDIQ project requirements.

Under the management approach/safety and health subfactor, USA's proposal received an adjectival rating of "very good." USA received 1 significant strength, 6 strengths, and 3 weaknesses. The SEB assessed the significant strength for the USA proposal's clear and comprehensive Safety and Health Plan that incorporates safety considerations into all levels of management and employee tasks, demonstrates a thorough ability to comply with both JSC Center safety systems and NSOC-specific safety concerns, and has a review system that has specific metric goals. This all greatly increases personnel safety and the likelihood of mission success.

Under the small business utilization subfactor, USA's proposal received an adjectival rating of "good." USA received 1 strength and 1 weakness.

Under the cost/price factor, adjustments in the proposed cost were made for inadequate staffing in the baseline, DCAA audit finding, and incumbent labor rates. An adjustment was also made for incumbent labor rates in the sample delivery order. The SEB had a "high" level of confidence in the probable cost.

Under the past performance factor, the level of confidence rating for USA's proposal remained "high" with no new strengths or weaknesses identified. USA received 2 significant strengths and 2 strengths. The SEB assessed the first significant strength for the USA team's extensive, highly relevant and successful experience managing and operating large facilities with complex operations. USA earned its second past performance significant strength for its successful and highly relevant operations and maintenance of hazardous and complex systems.

IV. Decision

Following the presentation by the SEB and the vigorous questioning of the SEB by me

and my advisors, I fully considered the findings the SEB presented to me and held an executive session with my advisors to discuss the evaluation results. I commended the SEB on their comprehensive and detailed evaluation of two very strong and near-equal proposals. The selection of either proposal obviously promised a high likelihood of successful contract performance. I requested and received the opinions of the advisors present, and asked for their comments, objections or concerns with the materials presented to us. I accepted the findings of the SEB as they were presented to me. Following this discussion, I made a comparative assessment of the proposals based upon the evaluation factors in the solicitation – mission suitability, past performance, and cost/price.

I first considered the two proposals under the mission suitability factor. The relative importance of the evaluation factors weighed the non-cost/price factors as significantly more important than cost/price, and mission suitability as approximately equal in importance with cost/price and as more important than past performance. Among the mission suitability subfactors, the number of points assigned for evaluation purposes indicated that technical approach was more important than management approach/safety & health ('management approach'), which in turn was more important than small business utilization ('small business'). The SEB's point and adjectival results for mission suitability signaled to me that there might be a qualitative advantage to USA in technical approach, and a qualitative advantage to Raytheon in both management approach and small business. That is where I began my inquiry and analysis.

In comparing the relative mission suitability strengths and weaknesses of the two proposals, I noted that both proposals shared many of the same positive attributes. Each proposal's strengths and significant strengths were distributed across all, or nearly all, functional areas addressed by the evaluation criteria, thus indicating the uniform high quality of each proposal.

There were several off-setting and essentially equal mission suitability strengths and significant strengths in the technical approach subfactor. The RFP's Statement of Work had advised prospective Offerors that a primary objective is that the facilities must be operated in a safe manner to all personnel involved. Both proposals warranted an equivalent significant strength in this area of paramount importance. Similarly, each proposal was assessed significant strengths I judged essentially equal in pressurized suit and dive operations, and in the proposed approach for the SVMF training event scenario. Raytheon's significant strength in operating critical systems at the NBL provided an advantage over USA's strength in the same function, but that evaluation advantage was not so great in my judgment as to be a significant discriminator for purposes of selection for award.

The most notable difference between the two proposals in the technical approach subfactor was the Raytheon proposal's significant weakness in its plan for meeting the requirements of the sample Delivery Order (DO). The DO plan failed to demonstrate adequate understanding of the technical requirements and of estimating techniques. Labor and non-labor resources were not adequately substantiated. Raytheon used an

unsuitable basis for its estimating methodology. Finally, the proposal lacked clarity and realism in estimating resources associated with the sample DO. This contrasted with the USA proposal's assigned significant strength for its plan for the DO, which had clarity, detail and realism with respect to cost, schedule and skill mix. In considering the findings related to the Offerors' respective DO plans, I noted that the RFP (including Amendment 1) informed Offerors that the IDIQ portion of the work would comprise much less than 30 percent of the total estimated contract effort.

Moving to the management approach subfactor, I found a similar pattern as had presented itself in the technical approach subfactor. Both Offerors had submitted especially strong proposals. There were again several instances in which the proposals had merited essentially equivalent strengths or significant strengths, so that those functional areas and evaluation results did not present any clear basis for discrimination between the proposals. As previously noted both proposals had garnered significant strengths for safety and health, the area of contract emphasis. Each proposal earned a number of related strengths (including a significant strength for Raytheon's proposal) for key personnel, and for the recruitment and retention of a qualified workforce. They were both cited for their phase-in plans, albeit the SEB assigned Raytheon's proposal a significant strength.

There was, however, a significant difference in my evaluation of the Offerors' approaches to external customers. The SEB had assigned a significant strength to the Raytheon proposal both for its suitable and realistic approach to external customers and for its demonstrated commitment to substantial cost savings from external customer revenue. In other words, Raytheon presented a plan to generate significant revenue, well in excess of the NASA External Customer Revenue Target stated in the RFP, and I found that plan to be workable and realistic. I deemed that plan and Raytheon's high-dollar savings commitment as credible and with a high likelihood of success as they were backed up by existing undertakings with specific potential future NBL customers. In this same functional area, USA's proposal did earn a strength for its plan's effective processes, procedures and operating standards for dealing with external customers. More than offsetting that strength, however, and in striking contrast to Raytheon's proposal, USA's plan failed to meet NASA's external revenue targets and resultant cost savings, and the proposal was assigned a weakness. USA's proposed external revenue goal is only slightly higher than its cost savings commitment, and very much less than NASA's External Customer Revenue Target stated in the RFP. The RFP tied the amount of fee the NSOC contractor would earn to its successfully meeting its cost savings commitment to NASA. By setting its commitment level exceedingly low, USA displayed its lack of confidence in achieving meaningful, let alone substantial, cost savings. Having analyzed the implications of USA's very low level of commitment, I also re-visited Raytheon's external customer plan and very robust target and commitment. I considered the possible implication that Raytheon set its target and commitment high solely to win award, and without regard to whether the target or the commitment was achievable. I noted that Raytheon had customers at hand; the customers at hand were in industry categories from which NASA could expect to derive experience in sophisticated dive operations; and any failure by Raytheon to meet its commitment would threaten both its ability to earn

award/incentive fee and its past performance record. Accordingly, after a thorough review of the business case, I attributed Raytheon's high level of commitment and high target to its well-founded confidence in being able to deliver all that they have promised. I was also impressed that the specific customers Raytheon had lined up represent value to NASA in NASA's exercising/maintaining advanced skills in several aspects of NBL operations, including dive operations, safety culture and crane operations.

I then turned to the small business subfactor in mission suitability. Here, I noted a potentially significant (in light of the small overall point difference between the two scores) SEB point score advantage in favor of the Raytheon proposal. I judged that, qualitatively, the Raytheon proposal had a measurable edge over USA in this subfactor, by virtue of the specifics of the proposals. While each proposal presented an overall benefit to NASA, the Raytheon proposal demonstrated a greater commitment to full use of small businesses: for example, its overall management approach was to include its small business team partners in team strategies, decisions, self-evaluation discussions and customer communications.

Having completed my analysis under the mission suitability factor, I next considered past performance, the other non-cost/price factor. The SEB had rated Raytheon's past performance 'Very High,' and USA's 'High.' As with mission suitability, there were functional areas in which the SEB assigned essentially equivalent strengths or significant strengths to both proposals. Factoring these out, I discerned that Raytheon had notable advantages in its past performance over USA related to safety, small business and dive operations, each indicated by an assigned significant strength that had no USA equivalent. Raytheon's low OSHA incident rates and reduced insurance premiums were strong objective measures of a strong safety culture; Raytheon's numerous small business awards and sustained excellent small business performance ratings over many years demonstrate a strong commitment to small business; and while both Offerors are well-experienced in managing operations in large and complex facilities, Raytheon's experience includes directly-relevant diving operations, something missing entirely from the USA team. Accordingly, I assessed past performance overall as a significant discriminator between the two proposals.

A cost/technical trade-off between the proposals was necessary, as I determined that Raytheon had distinct advantages in both the mission suitability and the past performance factors, and USA had the very slightly lower probable cost under the cost/price factor. The provisions of the RFP dictated my approach to making the necessary trade-off between the two proposals. Section M.2 of the RFP stated that

Of the three evaluation factors, mission suitability and past performance, when combined, are significantly more important than cost. Mission suitability is more important than past performance. Mission suitability and cost are approximately equal in importance.

In mission suitability, I assessed that, while USA held a clear advantage over Raytheon with respect to the evaluation of the Offerors' Delivery Order plans, the true measure of that advantage was not as mechanical as weighing a significant strength against a

significant weakness. In past performance, I noted that Raytheon had been credited a strength for prior mock-up work by its current team. The strength noted that Raytheon, and its major subcontractors, have broad pertinent experience in the development and manufacturing of both large and small scale mockups, and have received high ratings in their contract evaluations. Also, the depth and breadth of the mockup manufacturing experience provided by Team Raytheon indicates their ability to accurately develop cost and schedule projections for mockup development under the new contract. This provided mitigation of the risk under mission suitability posed by Raytheon's technical proposal. Moreover, the maximum amount of IDIQ work, if ordered, only comprised approximately 30% of the entire work under the contract – and that was before Amendment 1 advised prospective Offerors that there would be no major mock-up work in the SVMF, and less minor mock-up work than originally planned. Accordingly, recognizing both that the discriminator was mitigated by past performance of the same type of work, and that any advantage in performing mock-up work would affect only a small fraction of contract performance, I gave relatively less weight to this discriminator than to the other discriminators I found in the technical factors. Moving to the next significant discriminator I had determined, I found Raytheon's advantage over USA for external customers was very significant. Raytheon's commitment greatly exceeded even USA's Standard of Excellence (i.e., NASA's external revenue target); even more telling, Raytheon's commitment exceeded USA's commitment many times over. Moreover, I concluded that Raytheon had successfully established that its commitment and target amounts were realistic and achievable, notwithstanding their apparently high levels. There is an excellent likelihood that NASA will benefit from substantial cost savings in the operation of the NBL. In addition, Raytheon's proposal presented clear and substantial advantages over USA's in the small business subfactor, as discussed earlier. In sum, I determined that Raytheon's proposal provides a substantial net tangible benefit in mission suitability over the USA proposal.

As previously discussed, I also determined that Raytheon's proposal provides a substantial net tangible benefit in past performance to NASA over the USA proposal, providing a higher likelihood of overall successful contract performance.

I weighed in Raytheon's favor the net beneficial effect of the non-cost/price discriminators (including the DO plan discriminator that somewhat favored USA) against the very slight USA advantage in probable cost/price. I noted that the non-cost/price factors were significantly more important than cost/price. I accordingly determined that the significant net non-cost/price benefits represented by the Raytheon proposal measurably outweigh USA's very slight cost/price advantage as measured by the Offerors' probable costs. I therefore select Raytheon for award.

Ellen Ochoa

Ellen Ochoa
Source Selection Authority

27 Jul 2010

Date