

**SELECTION OF CONTRACTORS  
FOR  
NASA LAUNCH SERVICES II**

On August 30, 2010, as the designated Source Selection Authority (SSA), I, along with other senior officials of NASA Headquarters and the Kennedy Space Center (KSC), met with the Source Evaluation Board (SEB) that was appointed to evaluate proposals for award of the NASA Launch Services II (NLS II) contract(s) at KSC. Relevant portions of the SEB's evaluation of proposals, and my decision on selection of the successful offeror(s) are set forth in this Source Selection Statement.

**PROCUREMENT HISTORY**

The NLS contracts are Multiple Award, Indefinite Delivery/Indefinite Quantity (IDIQ) contracts under which NASA procures expendable launch vehicle services. Each contract includes specified launch vehicles with not-to-exceed (NTE) fixed prices and labor rates. Firm fixed prices for specific launches are established under competitively awarded launch service task orders (LSTOs) competed among all NLS contractors. The NLS IDIQ contracts permit NASA to procure launch services to fulfill NASA requirements as they become known throughout the life of the contract until the ordering period expires. The original NLS contract mechanism had an innovative on-ramp provision to accommodate proposal submissions from new launch services providers desiring to obtain an NLS contract and for new technology from current NLS contractors. The purpose of the NLS On-ramp and Technology Insertion provision is to: foster competition for future requirements for launch services; create an opportunity for new, emerging launch service providers to compete for future requirements; consider the expansion of performance capability either above or below the current mission sets procured today; and enable incumbent launch service providers to introduce launch vehicles not available at the time of the initial contract award.

In 1999, the first NLS solicitation was issued to seek qualified launch service providers who were capable of launching medium/intermediate class payloads. The initial solicitation resulted in the award of two contracts, in June 2000, to Boeing Launch Services (BLS) and Lockheed Martin Commercial Launch Services (LMCLS); the BLS and LMCLS contracts were subsequently novated to United Launch Services (ULS) on July 21, 2008, and are performed through a subcontracting arrangement with United Launch Alliance (ULA). The original solicitation had an ordering period through June 2010, and a maximum potential value of \$5 billion.

In 2004, the NLS Request for Proposal (RFP) was modified to expand the performance range to include small class launch services. In September 2005, Orbital Sciences Corporation (OSC) was awarded a NLS contract to provide launch services for small class payloads. In April 2008, Space Exploration Technologies Corporation (SpaceX) was awarded a NLS contract to provide launch services for both small and medium/intermediate class payloads. These last two on-



ramps of new launch service providers demonstrate the continuous competitive environment of the NLS contract.

Like the original NLS contract, the objective of the NLS II procurement is to purchase risk category 2 and 3 domestic launch services that are safe, successful, reliable, and affordable, with a minimum capability of delivering a NASA payload weighing 250 kg or more to orbit at an altitude of 200km and launch inclination of 28.5 degrees. These launch services include all standard services, non-standard services, mission unique services, and special task assignments necessary to support a NASA mission.

The NLS II procurement allowed current NLS I contractors to submit competitive proposals to extend their contracts and simultaneously allowed new offerors to compete for a NLS contract under the on-ramp provision. On April 28, 2009, a PSM was held at NASA Headquarters to seek approval on the NLS follow-on acquisition strategy to extend the NLS contract to June 30, 2020. On June 17, 2009, the NASA Headquarters OGC concurred that the extension of the NLS contract complies with the Competition in Contracting Act (CICA) of 1984. On August 12, 2009, a deviation request for the extension of the ordering period through June 30, 2020, and for the extension of the performance period through December 31, 2022 was approved by the Deputy Chief Acquisition Officer.

On September 4, 2009, the NLS II RFP was posted to industry. The NLS II RFP identified up to 34 additional launch service requirements, consisting of planned missions over an additional 10 years with a maximum potential value for all NLS contracts of \$15 billion, along with an annual NLS II On-ramp period to be held each August. During the course of the procurement, a total of five RFP amendments were issued by the Contracting Officer to provide responses to questions and comments submitted by offerors regarding the RFP, and to incorporate minor changes into the RFP.

Five timely proposals were received in response to the NLS II RFP on or before the due date of October 19, 2009. Proposals were received from United Launch Services, Orbital Sciences Corporation, Space Exploration Technologies Corporation, Lockheed Martin Space Systems Corporation, and AXQD Kratos 1 CCP.

### **EVALUATION PROCEDURES**

The NLS II solicitation states Offerors must meet the following minimum contract requirements to be eligible for award of a NLS II IDIQ contract:

- A. The Offeror must be a Domestic Source as defined in the Commercial Space Act of 1998.
- B. The Offeror must be ISO 9001/2000 Certified (ISO 9001/2008 Certified after November 2010)

The Government intends to award one or more contracts for IDIQ launch services resulting from this solicitation to the responsible Offeror(s) whose proposal, conforming to the solicitation, provides fair and reasonable Not to Exceed (NTE) prices, and has met the technical and past performance acceptability standards for non-price factors. The following evaluation factors and

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significant subfactors establish the requirements of acceptability and shall be used to evaluate proposals for new providers and existing providers:

**Price (Fair and Reasonable)**

Price evaluation includes appropriate price analysis techniques in accordance with FAR Subpart 15.4 to determine if the Offeror's proposed prices are reasonable, and consistent with the types, quantities, qualities and performance/delivery schedules of all products and/or services described in the technical proposal.

**Technical Acceptability (Acceptable or Unacceptable)**

The Technical Acceptability factor evaluated both technical approach and management approach.

Technical Approach includes the Offeror's ability: to meet or exceed the requirements in the Statement of Work; to satisfy launch vehicle certification requirements; and to successfully launch and deliver a payload to orbit using a launch service capable of placing at a minimum a 250 kg payload into a 200 km circular orbit at an inclination of 28.5 degrees. Technical Approach also includes compliance with solicitation requirements to include solicitation instructions; representations and certifications; contract terms and conditions; equal employment opportunity; the small and small disadvantaged business subcontracting plan; the work plan; and most favored customer certification plan.

Management Approach includes the Offeror's approach for program management to ensure launch success; approach to managing its subcontractors and the complexity of the work to be subcontracted; plan for ensuring the safety and health of personnel and facilities; quality management plan and software assurance approach; configuration management approach for ensuring hardware and software design implementation, change process control, time/age-sensitive component control, and as built drawing control; reliability plan; risk mitigation program; manifest policy, with regard to national priorities of NASA missions; approach to keep NASA and the payload customer informed on launch campaign progress, activities and anomalies from award through mission success determination; approach to ensuring Government insight throughout a mission flow, as well as the Offeror's approach to Government cognizance of mission unique issues; and approach for meeting Information Technology Security Requirement IAW NPR 2810.1A.

**Past Performance (Acceptable, Unacceptable, or Neutral)**

Past performance evaluates current and relevant performance, including contract performance, history and experience; ability to control price increases in its processes for minimizing contract changes as experienced in recent launch service contracts; ability to accomplish requirements to receive milestone or performance based payments; ability to perform as a launch service provider with responsibilities, including design, fabrication, vehicle and payload integration; ability to meet technical requirements and performance standards for previous work; ability to meet launch dates; approach in determining



probable root cause for less than fully successful mission and resultant action taken to improve reliability of launch services; and launch vehicle history.

Consistent with the solicitation evaluation criteria discussed above, the SEB did not numerically score the technical proposals, but evaluated the technical proposals as either acceptable or unacceptable. Given this is a competitive contract extension of the NLS I contracts as well as an on-ramp for new proposals, the SEB utilized the NLS Source Evaluation Plan for the definition of "acceptable" and "unacceptable" as follows:

Acceptable is defined as a proposal, which meets or exceeds the minimum requirements of the RFP. The proposal may include individual "weaknesses" as long these weaknesses do not increase the risk of unsuccessful contract performance to an unacceptable level. In addition, the proposal does not contain any deficiencies.

Unacceptable is defined as a proposal, which fails to meet the requirements of the RFP. A proposal that contains a deficiency will be determined to be unacceptable. A proposal will be determined to be unacceptable if it takes exceptions to the RFP to such a degree that it increases the risk of unsuccessful contract performance to an unacceptable level.

The SEB utilized the following definitions for identification of strengths, weaknesses, and deficiencies:

"Deficiency" is a material failure of a proposal to meet a Government requirement or a combination of significant weaknesses in a proposal that increases the risk of unsuccessful contract performance to an unacceptable level.

A "Significant Weakness" in the proposal is a flaw that appreciably increases the risk of unsuccessful contract performance.

"Weakness" means a flaw in the proposal that increases the risk of unsuccessful contract performance.

"Strength" is an aspect of the proposal that will have some positive impact on the successful performance of the contract.

"Significant Strength" is some aspect of the proposal that greatly enhances the potential for successful contract performance.

**INITIAL EVALUATION OF PROPOSALS, COMPETITIVE RANGE DETERMINATION, AND DISCUSSIONS**

Utilizing the aforementioned evaluation process, the SEB conducted an initial evaluation of the proposals from the five offerors . The resulting technical acceptability rating, past performance rating, and price evaluation of each offeror's proposal provided the basis for making a competitive range determination.

In accordance with FAR 15.306(c)(1), the Contracting Officer, with the concurrence of the SSA , determined that the following four offerors were within the competitive range: United Launch



Services (Atlas V & Delta IV), Orbital Sciences Corporation, Space Exploration Technologies Corporation, and Lockheed Martin Space Systems Company. The United Launch Services (Delta II) and Kratos proposals were not found to be among the most highly rated proposals and were therefore not included in the competitive range. The competitive range determination was documented in a memorandum for the record that was signed by the contracting officer and concurred on by the SSA on January 28, 2010. Written and oral discussions were held with each of the offerors determined to be within the competitive range, focusing on the weaknesses, significant weaknesses, deficiencies, and uncertainties requiring clarifications that the SEB had identified during the initial evaluation of proposals. After conclusion of discussions, all offerors within the competitive range submitted timely final proposal revisions. The SEB conducted a final evaluation of each offeror's final proposal revisions (FPRs) and reported its findings to the SSA as discussed below.

### **FINAL PROPOSAL REVISION EVALUATION**

#### ***LOCKHEED MARTIN SPACE SYSTEMS CORPORATION (LMSSC) EVALUATION***

##### **Price:**

The SEB performed a price analysis to evaluate the reasonableness of the proposed prices. In its initial price analysis of the NTE standard/non-standard launch service prices and the FFP composite hourly labor rates offered by LMSSC, the SEB determined that LMSSC's proposal required further clarification. As a result, the SEB conducted discussions with LMSSC.

Upon the conclusion of discussions and receipt of FPR, the SEB determined that all clarification questions had been resolved. LMSSC does not have a current NLS I contract for comparison of its proposed 2010 pricing and escalation. Upon an analysis of the pricing information provided by LMSSC and after careful comparison of prices and escalation for similar launch services, as well as the cost impact of specific NLS II contract requirements, the SEB determined that LMSSC's proposed NTE standard/non-standard launch service prices and FFP composite hourly labor rates for the Athena I and Athena II launch services are fair and reasonable.

##### **Technical Acceptability:**

In its initial technical evaluation of the Athena I and Athena II launch services offered by LMSSC, the SEB determined that, with regard to the Technical Approach subfactor, LMSSC's proposal had one weakness, one strength, and required further clarification. With regard to the Management Approach subfactor, the SEB's initial evaluation determined that LMSSC's proposal had one strength and required further clarification. As a result, the SEB conducted discussions with LMSSC.

Upon the conclusion of discussions and receipt of FPR, the SEB determined that all weaknesses and clarification questions had been resolved and that LMSSC's proposal contained no deficiencies, significant weaknesses, or weaknesses. The SEB also determined that LMSSC's proposal had one strength in Technical Approach, and one strength in Management Approach.

##### ***Proposal Strengths:***

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1. The strength for Technical Approach pertained to LMSSC offering a total of 64 seats at the Kodiak launch facility for the entire NASA Launch team which is significantly higher than industry standard for NASA Engineering and Management team supporting at a remote launch site.

[REDACTED]

Accordingly, the SEB determined LMSSC's technical proposal to be acceptable.

**Past Performance:**

The last launch of the Athena launch vehicle was in 2001. LMSSC provided Past Performance data for launches that occurred between 1997 and 2001. LMSSC does not have any recent past performance that would be considered relevant for the NLS II contract and there was no data in Past Performance Information Retrieval System (PPIRS) and NASA Past Performance Database (PPDB). In addition, the launch vehicles proposed for NLS II are different common vehicle configurations than those that were described by LMSSC in their Past Performance proposal Volume. As a result, the SEB assigned LMSSC a neutral rating for past performance.

***ORBITAL SCIENCES CORPORATION(OSC) EVALUATION***

**Price:**

The SEB performed a price analysis to evaluate the reasonableness of the proposed prices. In its initial price analysis, the SEB determined the proposed NTE standard launch service prices and FFP composite hourly labor rates to be fair and reasonable, but determined that further clarification was needed for the proposed NTE non-standard service prices. As a result, the SEB conducted discussions with OSC.

Upon the conclusion of discussions and receipt of FPR, the SEB determined that all clarification questions had been resolved. In addition, upon a comparison of the proposed prices to previous NLS contract prices and after careful comparison of prices and escalation for similar launch services, as well as the cost impact of specific NLS II contract requirements, the SEB determined that OSC's proposed NTE standard/non-standard launch service prices and FFP composite hourly labor rates for the Pegasus XL and Taurus XL launch services are fair and reasonable.

**Technical Acceptability:**

In its initial technical evaluation of the Pegasus XL and Taurus XL launch services offered by OSC, the SEB determined that, with regard to the Technical Approach subfactor, OSC's proposal had one significant weakness, one weakness, one strength, and required further clarification. With regard to the Management Approach subfactor, the SEB's initial evaluation

[REDACTED]

determined that OSC's proposal required further clarification. As a result, the SEB conducted discussions with OSC.

Upon the conclusion of discussions and receipt of FPR, the SEB determined that all significant weaknesses, weaknesses, and clarification questions had been resolved and that OSC's proposal contained no deficiencies, no significant weaknesses, and no weaknesses. The SEB also determined that OSC's proposal had one strength in Technical Approach pertaining to the Launch Vehicle Risk Mitigation.

*Proposal Strength:*

1. The Pegasus XL launch vehicle is Risk Mitigation Category 3 certified and the Taurus XL launch vehicle is Risk Mitigation Category 2 certified. Category 3 certification greatly reduces technical risk and provides insight into vehicle operations and standard procedures during a launch campaign. Category 2 certification significantly increases confidence over uncertified launch vehicles and provides insight into vehicle operations and standard procedures during a launch campaign.

Accordingly, the SEB determined OSC's technical proposal to be acceptable.

**Past Performance:**

OSC's Past Performance rating is based on a review of the Past Performance Information Retrieval System (PPIRS) and NASA Past Performance Database (PPDB) for the period of 2006 through 2009 as well as other known data. OSC has a proven history of providing reliable launch services on the SELVS contract (9 out of 10, or 90 percent, successful launches). OSC has established an excellent relationship with its customers by meeting launch commitments with significant technical and schedule challenges, completing task assignments within the prices negotiated, providing CDRL deliverables in a timely manner, responding to customer needs in a timely manner, and managing launch schedules to minimize delays and cost impacts.

The SEB determined that OSC has an acceptable record of current and relevant past performance for the Pegasus XL and Taurus XL launch services.

***SPACE EXPLORATION TECHNOLOGIES CORPORATION (SpaceX)  
EVALUATION***

**Price:**

The SEB performed a price analysis to evaluate the reasonableness of the proposed prices. In its initial price analysis, the SEB determined the proposed NTE standard launch service prices and FFP composite hourly labor rates to be fair and reasonable, but determined that further clarification was needed for the proposed NTE non-standard service prices. As a result, the SEB conducted discussions with SpaceX.

Upon the conclusion of discussions and receipt of FPR, the SEB determined that all clarification questions had been resolved. In addition, upon a comparison of the proposed prices to previous NLS contract prices and after careful comparison of prices and escalation for similar launch

services, as well as the cost impact of specific NLS II contract requirements, the SEB determined that SpaceX's proposed NTE standard/nonstandard launch service prices and FFP composite hourly labor rates for the Falcon 1, Falcon 1e, Falcon 9 Block 1, and Falcon 9 Block 2 launch services are fair and reasonable.

### **Technical Acceptability:**

In its initial technical evaluation of the Falcon 1, Falcon 1e, Falcon 9 Block 1 and Falcon 9 Block 2 launch services offered by SpaceX, the SEB determined that, with regard to the Technical Approach subfactor, SpaceX's proposal had one deficiency, one weakness, and required further clarification. With regard to the Management Approach subfactor, the SEB's initial evaluation determined that SpaceX's proposal had one strength and required further clarification. As a result, the SEB conducted discussions with SpaceX.

Upon the conclusion of discussions and receipt of FPR, the SEB determined that all deficiencies and weaknesses from SpaceX's initial proposal had been resolved and that SpaceX's proposal contained no deficiencies or significant weaknesses. However, the SEB found that five of the clarification questions had not been resolved despite extensive discussions with SpaceX; therefore, these findings were reclassified as weaknesses. SpaceX was informed prior to the request for FPR, that these findings would remain weaknesses if not resolved in the FPR. SpaceX's FPR did not provide sufficient information to resolve these five weaknesses. In addition, the SEB determined that SpaceX's proposal had one strength under the Management Approach subfactor.

### ***Proposal Weaknesses:***

1. SpaceX's proposal did not include Random Vibration Environment information for the Falcon 9 vehicle, as required in the SOW. An unknown Falcon 9 payload random vibration environment increases risk to the spacecraft since spacecraft hardware cannot be designed to a predicted environment. This represents technical, cost and schedule risk to NASA spacecraft customers. SpaceX had their first flight of the Falcon 9 on June 4, 2010 just prior to FPR submittal. As a result, this risk is minimal because the payload random environment will be defined once SpaceX has analyzed its flight data and provided this data to NASA.
  2. SpaceX's proposal did not include Sinusoidal Vibration Environment information for the Falcon 1 and 9 vehicles, as required in the SOW. An unknown Falcon 1 and 9 payload sinusoidal vibration environment increases risk to the spacecraft since spacecraft hardware cannot be designed to a predicted environment. This represents technical, cost and schedule risk to NASA spacecraft customers. SpaceX had their first flight of the Falcon 9 on June 4, 2010 just prior to FPR submittal. SpaceX had their first flight of the Falcon 1 on July 14, 2009. As a result, this risk is minimal because the sinusoidal vibration environment will be defined once Space X has analyzed its flight data and provided this data to NASA.
  3. SpaceX's proposal did not include data for vehicle performance for 0 and 5 degree inclinations from Kwajalein for the Falcon 1 and 9 vehicles as required in the SOW. Without this data NASA LSP is unable to provide our spacecraft customer performance
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quotes during advance mission planning phases. As a mitigation, NASA LSP can request the missing performance data from SpaceX after award or during an LSTO. If SpaceX does not provide this performance data prior to an LSTO with performance requirements of 0 or 5 degree inclinations, this will be identified as a technical risk in that evaluation.

4. SpaceX's proposal did not include 3-sigma performance reserves in its launch vehicle performance data for the Falcon 1 or the Falcon 9 as required in the SOW. SpaceX [REDACTED] [REDACTED] An absence of 3-sigma dispersion data, exposes NASA to technical, cost and schedule risks involved with accepting the proposed [REDACTED]
5. SpaceX's Falcon 1 and 9 launch vehicles do not meet the required design reliability of no less than 95% reliability at an 80% confidence level as required in the SOW. A design reliability that falls below the SOW requirement for design reliability increases the risk to mission success. To help mitigate this risk, SpaceX has identified a reliability growth plan to increase reliability of parts through additional flights and testing.

The SEB determined that the aforementioned weaknesses do not appreciably increase risk of unsuccessful contract performance. Each of the aforementioned weaknesses will be considered and evaluated during future LSTOs.

*Proposal Strength:*

[REDACTED]

Accordingly, the SEB determined SpaceX's technical proposal to be acceptable.

**Past Performance:**

SpaceX's Past Performance rating is based on a review of the Past Performance Information Retrieval System (PPIRS) and NASA Past Performance Database (PPDB) for the period of 2006 through 2009 as well as other known data. Although SpaceX has not yet been awarded a mission under NLS, on June 13, 2009, SpaceX successfully launched a Falcon 1 launch vehicle carrying the RazakSat spacecraft. On June 4, 2010, SpaceX also successfully launched a Falcon 9 launch vehicle, which achieved Earth orbit on target. In addition, SpaceX has established a very good relationship with its customers by providing task order deliverables in a timely manner, meeting or exceeding SOW requirements, and providing excellent customer service.

[REDACTED]

The SEB determined that SpaceX has an acceptable record of current and relevant past performance for the Falcon 1 and Falcon 9 launch services.

### ***UNITED LAUNCH SERVICES (ULS) EVALUATION<sup>1</sup>***

#### **Price:**

The SEB performed a price analysis to evaluate the reasonableness of the proposed prices for the Atlas V launch service. In its initial price analysis, the SEB determined the proposed FFP composite hourly labor rates to be fair and reasonable, but determined that further clarification was needed for the proposed NTE standard/non-standard launch service prices. As a result, the SEB conducted discussions with ULS.

Upon the conclusion of discussions and receipt of FPR, the SEB determined that all clarification questions had been resolved. The SEB analyzed the proposed breakdown of launch service pricing into two components, standard launch service pricing and launch capability pricing, and determined the content of the pricing and its applicability under the terms of the contract were clear. In addition, upon an analysis of the pricing information provided by ULS and after careful comparison of prices and escalation for similar launch services, as well as the cost impact of specific NLS II contract requirements, the SEB determined that ULS' proposed NTE standard/non-standard launch service prices and FFP composite hourly labor rates for the Atlas V launch services are fair and reasonable.

#### **Technical Acceptability:**

In its initial technical evaluation of the Atlas V launch services offered by ULS, the SEB determined that, with regard to the Technical Approach subfactor, ULS' proposal had sixteen deficiencies, one significant weakness, two weaknesses, two strengths, and required further clarification. With regard to the Management Approach subfactor, the SEB's initial evaluation determined that ULS' proposal required further clarification. As a result, the SEB conducted discussions with ULS.

Upon the conclusion of discussions and receipt of FPR, the SEB determined that all deficiencies, significant weaknesses, and weaknesses from ULS' initial proposal had been resolved and that ULS' proposal contained no deficiencies or significant weaknesses. However, the SEB found that four of the clarification questions had not been resolved. These findings were reclassified as weaknesses. In addition, the SEB identified a new weakness resulting from a change that ULS made in its FPR that was not communicated during discussions. The SEB also determined that ULS' proposal had two strengths under the Technical Approach subfactor.

#### ***Proposal Weaknesses:***

1. ULS' proposal did not include complete launch vehicle performance data for the Atlas V launch vehicles as required in the RFP. Without this data NASA LSP is unable to

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<sup>1</sup> On August 19, 2010, ULS withdrew its Delta IV proposal. Therefore, the Delta IV proposal was removed from the competitive range and is not part of the final evaluation.

provide our spacecraft customer performance quotes during advance mission planning phases unless NASA LSP specifically tasks ULS to provide the missing performance data via a Task Assignment.

2. ULS' proposal did not include relative humidity controllability as required in the RFP. Without this data NASA LSP is unable to provide our spacecraft customer the controllability of the environment for Relative Humidity while in the Payload Fairing. As a result, LSP's customers will have to expend additional time and resources determining the worst case scenario for their specific spacecraft and what contingencies would be needed to address them.
3. ULS did not provide the known maximum payload capability as required by the RFP. ULS failure to provide the known maximum payload capability for Atlas V launch vehicles does not enable NASA LSP to provide spacecraft customers with the most accurate quotes of maximum performance for missions in the early years of contract performance. The maximum payload capability includes conservative performance reserves which can be refined prior to or during the LSTO process.
4. ULS added a note in its FPR that states "Any agreements between the Contractor and the Range for a tailored EWR 127-1 are acceptable to NASA." There may be times when NASA is not able to agree to the tailoring, which could lead to safety risks to NASA, or to schedule risks if delays are incurred to resolve safety issues. The risk is low because ULS has historically coordinated Range Safety tailoring with NASA. In addition, NASA has insight into Range Safety tailoring via SDRL S3-4 and can request Range Safety documentation for specific missions.

The SEB determined that the aforementioned weaknesses do not appreciably increase risk of unsuccessful contract performance. Each of the aforementioned weaknesses will be considered and evaluated during future LSTOs.

*Proposal Strengths:*

1. The ULS Atlas V 4XX and Atlas V 5XX launch vehicles are Risk Mitigation Category 3 certified. Category 3 certification greatly reduces technical risk and provides insight into vehicle operations and standard procedures during a launch campaign.
2. ULS' proposal offered a small subset of Firm-Fixed Price Non-Standard Services that can be ordered outside of a defined mission. This enables NASA to quickly order these services via Task Assignment.

Accordingly, the SEB determined ULS's technical proposal to be acceptable.

**Past Performance:**

ULS' Past Performance rating is based on a review of PPIRS and NASA PPDB for the period of 2006 through 2009 as well as other known data. ULS has a proven history of providing reliable launch services on the NLS contract (18 out of 18, or 100 percent, successful launches). ULS has established an excellent relationship with its customers by meeting launch commitments with

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significant technical and schedule challenges, completing task assignments within the prices negotiated, providing CDRL deliverables in a timely manner, responding to customer needs in a timely manner, and managing launch schedules to minimize delays and cost impacts.

The SEB determined that ULS has an acceptable record of current and relevant past performance for the Atlas V launch services.

## DECISION

The RFP states that the Government may award contracts to offerors whose proposals provide fair and reasonable prices and meet the technical and past performance acceptability standards.

As stated in the RFP, Section E, all elements of the Technical Approach and Management Approach subfactors must be acceptable in order for the proposal to be technically acceptable. The SEB described in detail their evaluation process for evaluating technical acceptability. I verified that the subject matter experts thoroughly considered how each proposal met each element of the technical and management approach subfactors, noted questions for clarification, and verified that all concerns were resolved during discussions. The SEB considered how each proposal aligned with the technical requirements in the statement of work and with Launch Service Program policy documents referenced in the RFP, such as the stated guidelines for the reliability plan, risk mitigation program, and IT security requirements. Further, each proposal had strengths, as described above, which have a positive impact on contract performance. The LMSSC and OSC proposals had no technical weaknesses. The SpaceX and ULS proposals did have some technical weaknesses. However, according to the NLS Source Evaluation Plan, a proposal with weaknesses may be acceptable as long as the weaknesses do not increase the risk of contract performance to an unacceptable level. I agree with the SEB's findings, and agree that the weaknesses in each proposal present minimal risk and can be mitigated during the competitive LSTO evaluation process. Therefore, I find all proposals in the competitive range to be technically acceptable.

I considered the SEB's evaluation of past performance and their explanation of how they considered each element of past performance stated in the RFP. I noted that both OSC and ULS had provided numerous successful launches of their proposed vehicles, OSC on the SELVS contract and ULS on the first NLS contract. With regard to SpaceX, I noted that there had been launches, and although there was some difficulty with Falcon 1, I considered how the company had responded to address failures. I find these three offerors have acceptable past performance. LMSSC has not had a launch since 2001 and thus did not have recent relevant experience. Accordingly, I agree with the SEB's rating of neutral for past performance in accordance with the RFP.

The price evaluation considered whether the proposed prices are reasonable for the services and products described in the proposal. At the presentation the SEB explained its analysis of each proposal in detail, including assessment of each proposed vehicle and its prices in relation to current market conditions, previously competed prices on the original NLS contract, and other vehicles in the same class. I noted that LMSSC, OSC, and SpaceX all offered launch vehicles in

the small or small/medium class. The standard launch service prices proposed for these respective vehicles varied considerably between proposals; the OSC prices were noticeably higher than the SpaceX prices, and the LMSSC prices were considerably higher than the OSC prices. However, each offeror adequately supported the proposed prices for its vehicles in the current market, and I understood the SEB's comparative analysis of dollars to kilograms for each vehicle. I also noted that the proposed prices are not-to-exceed (NTE) prices; firm fixed prices for launches will be established under competitively awarded launch service task orders (LSTOs) for small/medium class payloads. With regard to the ULS proposal, I discussed in detail with the SEB their analysis of the standard launch services prices and launch capability prices for their intermediate class vehicle, and verified that the model contract is clear as to which costs are included in these prices and when they apply to a launch. I find all proposals in the competitive range offer NTE prices that are fair and reasonable for the respective launch vehicles each proposed.

After meeting with the SEB and other senior officials of NASA Headquarters and KSC, and after thoroughly reviewing and discussing the SEB's findings, I conclude that all proposals remaining in the competitive range are technically acceptable, all offer fair and reasonable NTE prices, and all have an acceptable record of recent relevant past performance with the exception of LMSSC who did not have recent relevant past performance and was thus not evaluated favorably or unfavorably. Accordingly, I select the following proposals for award of an NLS II contract for IDIQ services:

- Lockheed Martin Space Systems Corporation
  - Athena I and Athena II
- Orbital Science Corporation
  - Pegasus XL and Taurus XL
- Space Exploration Technology Corporation
  - Falcon 1/1e and Falcon 9 Block 1 and Block 2
- United Launch Services
  - Atlas V

  
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William A. Wrobel  
Assistant Associate Administrator for  
Launch Service Office  
Space Operations Mission Directorate  
National Aeronautics and Space Administration  
Source Selection Authority

10 SEPTEMBER 2010  
Date