Source Selection Statement
Test Operations Contract
RFP NNS103366117R

On October 26, 2010 I, along with selected ex-officio members at the John C. Stennis Space Center (SSC), met with the Source Evaluation Board (SEB) appointed to evaluate proposals for the Test Operations Contract (TOC). During this meeting the SEB Chairperson presented the initial findings resulting from the evaluation process. I discussed the relative merits of each proposal with the SEB members, as well as the other attendees, to assure I had a full understanding of the SEB's evaluation.

This document summarizes the procurement, the evaluation process, the results of that process, and the basis of my selection of an offeror for award.

Procurement Description

The Test Operations Contract provides test operations, core operations, and maintenance support services across the entire test complex at SSC to include: Test Complex A-1, A-2, Test Complex B-2 and Test Complex E-1, E-2, and E-3 facilities. The purpose of this procurement is to provide for a follow-on acquisition to the current Test Operations Contract and requirements resulting from the completion of the Hardware Assurance Testing (HAT) Contract NNS07AA20C on March 31, 2011. The successful offeror will be required to provide the following services: project management and administration, systems engineering, safety and mission assurance, design and analysis, fabrication and installation, checkout and activation, test and evaluation, facility management and sustainment and disassembly/disposal.

This contract is a performance-based Cost-Plus-Award-Fee (CPAF) contract. The initial period of performance is thirty-months with one (1) thirty-month option period. The option period was evaluated and considered by the Source Selection Authority as part of the competition. In addition, a Government provided plug number for additional quantities was also evaluated with each performance period. The offerors were encouraged to propose enhancements and implementation approaches that would benefit the Government.

Procurement History

On December 21, 2009, Arthur E. Goldman, Center Director and Source Selection Authority (SSA) appointed members to the SEB for the purpose of evaluating proposals received in response to the solicitation. After I assumed the position of Center Director on March 14, 2010, I was appointed as the SSA for the TOC. The SEB included members from the Center Operations Directorate, Engineering and Test Directorate, Office of Safety and Mission Assurance, Projects Directorate and the Office of Procurement. To aid in the evaluation, ex-officio members were also appointed. Additionally, on February 4, 2010, the Chairperson, Marina L. Benigno, appointed advisors to the SEB to aid in the evaluation. These advisors were technical experts in the appropriate disciplines to provide supplemental assessments of proposal strengths and weaknesses. Two (2) separate amendments to the advisor appointment letter were subsequently issued to add advisors.

Prior to the issuance of the final Request for Proposal (RFP), in an effort to better inform industry of NASA requirements, the SEB released a draft RFP on April 8, 2010. A site visit was conducted on April 22, 2010 and included a briefing and windshield tour of the Test Complex area. Forty-two personnel attended the site visit representing twenty-two prospective firms. The StenniSphere lobby and auditorium were available following the site visit to allow large and small businesses an opportunity to meet and discuss possible partnering relationships. Responses, questions and comments to the draft RFP were received, carefully evaluated and incorporated into the final RFP as appropriate. The SEB prepared a response to each question received and released the responses to industry on May 25, 2010. Additionally, a Special Notice of TOC Change in Scope of Work was posted on July 7, 2010. This notice revised the scope of work to include the Hardware Assurance Testing (HAT) contract NNS07AA20C scope after a management decision was made not to exercise the final option of the HAT contract.

The final TOC RFP was released on July 22, 2010 via the NASA Acquisition Internet Service (NAIS) and Federal Business Opportunities (FedBizOpps), providing all interested offerors the ability to download the documents. Amendment No. 1 was posted on August 11, 2010 to provide answers to questions received on the final RFP.

In total, the SEB received two (2) proposals in response to the RFP. Past Performance Volumes were received on August 24, 2010 and Mission Suitability and Cost Volumes were received on September 7, 2010 from the following offerors:

Jacobs Technology, Inc.
600 Williams Northern Blvd., P.O. Box 884
Tullahoma, TN 37388

Lockheed Martin Services, Inc.
LMIS & GS - Civil, Exploration and Science
595 Gemini Avenue
Houston, TX 77059

Evaluation Procedure

The SEB evaluated proposals in accordance with the requirements of the solicitation and the Federal Acquisition Regulations (FAR) Part 15.3, "Source Selection", as supplemented by NASA FAR Supplement (NFS) Part 1815.3, "Source Selection". Additionally, the SEB developed a detailed Evaluation Plan, which was followed throughout the evaluation process.

The solicitation provided for selection and award in accordance with FAR 15.101-1, "Tradeoff process."

The RFP prescribed three (3) evaluation factors considered essential in evaluating an offer: Mission Suitability, Past Performance and Cost. The Mission Suitability and Past Performance factors, when combined, were significantly more important than the Cost factor. As individual factors, the three (3) factors were of essentially equal importance.

The three (3) evaluation factors were described in the RFP as follows:

Mission Suitability:

The proposals were evaluated for the excellence of the proposed work and the offeror's ability to perform that work, including the offeror's understanding of the requirements and the proposed Technical Performance, Management, Safety and Health and Small Business Utilization approaches to meeting the requirements. The Mission Suitability factor consisted of four (4) subfactors and each subfactor in each proposal received an adjectival rating and a numerical score in accordance with the RFP.

A. Technical Performance	500 points
B. Management	250 points
C. Safety and Health	150 points
D. Small Business Utilization	100 points

Under the Technical Performance subfactor, an Organizational Conflict of Interest (OCI) Risk assessment was evaluated. The team assigned one (1) of the following ratings for the OCI Mitigation Plan:

Low Risk
Moderate Risk
High Risk

Overall, each offeror could receive a total of 1,000 points and a commensurate adjectival rating for the Mission Suitability factor as a whole. The applicable adjectival ratings were "Excellent", "Very Good", "Good", "Fair", and "Poor". The definitions for the adjectival ratings and percentile ranges can be found in NFS 1815.305 (a) (3).

Past Performance:

Past Performance was also evaluated, but not numerically scored. Instead, the SEB assigned a level of confidence rating of either "Very High Level of Confidence",
" High Level of Confidence", "Moderate Level of Confidence", "Low Level of Confidence", "Very Low Level of Confidence", or "Neutral". These Level of Confidence ratings can be found in NFS 1815.305 (a) (2).

In accordance with the RFP, the SEB evaluated relevant information regarding the offeror's performance under previous contracts relevant to the size and complexity of this procurement. Using information provided by the offeror, information from past performance questionnaires submitted to the SEB by the offeror's past customers and independently-obtained information from Government and non-Government sources, the SEB evaluated the degree to which the offeror satisfied the requirements of previous similar contracts.

In addition to other relevant Past Performance information requested by the RFP, consideration was given to characteristics such as resiliency, resourcefulness, and management determination to see that the organization lived up to its commitments to provide specific standards and skills, and in the recruitment and retention of experienced/competent key personnel. Additionally, the SEB considered the offeror's overall safety and health performance, and federal, state, and local environmental violations resulting from performance of contracts over the last three (3) years.

Cost:

The Cost evaluation considered all cost associated with the contract in terms of validity, reasonableness, adequacy, and cost realism of proposed costs. Proposed costs were analyzed to determine the probable "cost of doing business" for the thirty-month base period, and one (1) thirty-month option period. The Cost evaluation also included an assessment of any cost risks. The Cost factor was not adjectivally or numerically scored, but was evaluated to determine if the costs were realistic for the work to be performed, if the costs reflect an offeror's understanding of the requirements, and if the costs were consistent with the various elements of the Mission Suitability proposal. In addition, each offeror was required to propose a phase-in plan and any associated phase-in costs. All proposed costs associated with the phase-in plan were considered under the Cost factor; however, they were not considered as part of the probable cost for selection.

As stated in the RFP and in accordance with FAR 52.215-1(f)(4), the Government intended to evaluated proposals and award a contract based on the initial offers received without conducting discussions with the offerors. Discussions would be held only if award on the basis of initial offers was determined not to be in the Government's best interest. Therefore, offerors were encouraged to submit initial proposals containing their best terms from a cost and technical standpoint.

Selection Decision:

Immediately following the SEB presentation on October 26, 2010, I met in executive session with key senior advisors who have knowledge of the requirement, and, who also attended the SEB presentation. These ex-officio members included representatives from the Office of Chief Counsel and the Office of Procurement. Because of the far-reaching responsibilities of the future TOC, I solicited and considered the views of these officials in reaching my independent decision.

With respect to the process and findings, I probed the SEB during the presentation and considered its evaluation of the proposals against the prescribed evaluation criteria outlined in the RFP. I concluded that the evaluation criteria were followed and the evaluation of the proposals was comprehensive, thorough and well documented. As the Source Selection Authority, I concurred with the findings of the SEB and adopted those findings without exception. I made my selection decision based on a detailed comparative assessment of the relative merits of the proposals against all source selection criteria stated in the RFP. I did not simply count and compare numbers of strengths and weaknesses, but considered the potential impact of each strength and each weakness on the proposed effort.

During the presentation, the senior advisors and I thoroughly questioned the SEB on a number of findings and were satisfied with the responses provided by the team. I then concluded that it is in the Government's best interest to award on initial offers without discussions and selected Lockheed Martin Services, Inc. to receive the contract award. The reasoning for my decision is outlined below.

The solicitation prescribes that all three (3) evaluation factors are essentially equal in importance. Specifically, that the Mission Suitability factor, the Past Performance factor and the Cost factor are of essentially equal importance. The solicitation further directs that the Mission Suitability factor and Past Performance factor, when combined, are significantly more important than the Cost factor.

For the Mission Suitability factor, Lockheed Martin's numerical score was slightly lower than the other offeror's because they received a slightly lower score for one subfactor, Management. However, Lockheed Martin received slightly higher numerical scores for two (2) other subfactors under Mission Suitability: Safety and Health and Small Business Utilization. Under the Technical Performance subfactor of the Mission Suitability factor, Lockheed Martin and the other offeror both received an adjectival rating of "Excellent" with the same numerical score. Both offerors received overall adjectival ratings of "Excellent" for the Mission Suitability factor. For the Past Performance factor, both offerors received ratings of "Very High Level of Confidence". Therefore, I did not consider Past Performance as a discriminator. Under the Cost factor, Lockheed Martin had the lowest proposed and probable cost. At this point my analysis revealed that the Lockheed Martin proposal offered the best overall value to NASA; however, I continued my review with an in-depth study of the findings.

Under the Management subfactor of the Mission Suitability factor, Lockheed Martin received an adjectival rating of "Very Good", while the other offeror received an adjectival rating of "Excellent". The Lockheed Martin proposal outlined a management framework which demonstrated a comprehensive understanding of the PWS requirements. Lockheed Martin's approach to effective management across the entire PWS is evident by the team they proposed, one that averages many years of propulsion experience. Lockheed Martin also proposed the implementation of corporate reach back programs, which demonstrated a commitment to build and sustain a flexible and skilled workforce. Their overall approach provided evidence that the organization will function as a single entity with integrated personnel, policies, and procedures.

Under the Management subfactor, Lockheed Martin proposed Key Personnel with commitments of only two (2) years. The commitment date for one of their Key Personnel, as stated in the resume and letter of commitment, is inconsistent and another key personnel lacks demonstrated management experience. Lockheed Martin proposed to utilize off-site business management operations which increases the risk of additional effort on the Government.

Under the Safety and Health subfactor of the Mission Suitability factor, Lockheed Martin and the other offeror each received an adjectival rating of "Excellent", with Lockheed Martin receiving a slightly higher numerical score.

Lockheed Martin employees will be trained on applicable policies, procedures and regulatory requirements. The training will provide the employees with guidance for all operations, activities, and business functions within TOC, ensuring compliance with applicable laws,

regulations, policies, procedures and standards. Lockheed Martin outlined a very proactive approach for obtaining all required certifications. Additionally, they adopted the NASA Environmental Policy allowing for achievement of their environmental goals and objectives, through an innovative program designed to reduce adverse environmental impacts. They demonstrated the methods to be used for communicating with their personnel. The methods would create a workplace with little or no injuries or occupational illnesses. Lockheed Martin proposed using a management communications system which would allow for clear and accurate communication throughout the workforce. Additionally, they incorporated a system that would facilitate employee and customer safety awareness.

Under the Small Business Utilization subfactor of the Mission Suitability factor, Lockheed Martin and the other offeror both received an adjectival rating of "Excellent", with Lockheed Martin receiving a slightly higher numerical score.

Lockheed Martin's Small Business Subcontracting Plan provided for extensive small business coverage across each of the Small Business goals while maintaining low risk to the TOC. This plan would bring together mature company relationships, formed across multiple contracts and ensuring comprehensive coverage of all the PWS requirements and team collaboration. Lockheed Martin proposed to subcontract work in the area of engineering. Additionally, they included signed letters of commitment for the proposed subcontractors.

Finally, I took into consideration the Cost factor. Lockheed Martin's proposed as well as its probable cost were both significantly lower than those of the other offeror. The difference in the proposed cost is $15.9 million, while the difference in the probable cost is $14.4 million.

In making the source selection decision, I carefully considered the results of the Mission Suitability factor, the Past Performance factor, and the Cost factor. In my consideration, I used the numerical weights assigned to the Mission Suitability subfactors only as a guide. I carefully considered the SEB findings and used the evaluation factors and subfactors set forth in the RFP, as well as a trade-off process, as described in FAR 15.101-1 in making my decision.

Under the Management subfactor of the Mission Suitability factor, I noted that the other offeror obtained a slightly higher numerical rating than Lockheed Martin. However, under the Safety and Health and Small Business Utilization subfactors, Lockheed Martin received slightly higher numerical scores. Both offerors received the same numerical score for the Technical Performance subfactor. Overall, for Mission Suitability the other offeror obtained a slightly higher score than Lockheed Martin. Both offerors received adjectival ratings of "Excellent" for Mission Suitability and "Very High Level of Confidence" for Past Performance. Lockheed Martin's proposed and probable cost were both significantly lower than the other offeror's proposed and probable cost.

The solicitation prescribes that all three (3) evaluation factors are essentially equal in importance. Specifically, that the Mission Suitability factor, the Past Performance factor and the Cost factor are of essentially equal importance. The solicitation further directed that the Mission Suitability factor and Past Performance factor when combined are significantly more important than the Cost factor. In accordance with this guidance, I determined that I could not make the award determination without carefully considering all three (3) factors individually as well as combined for Mission Suitability and Past Performance.

I considered whether the perceived benefit within the Management subfactor of the other offeror's Mission Suitability proposal was worth the additional cost of that proposal. I determined that the additional cost of over $14.4 million, for the other offeror's proposal, was neither necessary nor warranted. In the absence of any significant increase in the overall qualitative merit of the other offeror's proposal, I could not in good conscience, justify the cost premium involved in gaining the Management advantage offered by the other offeror's proposal. With the Mission Suitability factor and the Cost factor being of essentially equal importance, I could not make award to the other offeror with the higher Management subfactor score, since I do not believe that the proposal is of a significantly higher qualitative merit, allowing for an offset of the significant additional costs.

The minor difference in the scores for the Management subfactor of the Mission Suitability factor, when considered with the significant cost differential, does not justify award to the other offeror under a reasonable trade-off analysis. The significance of the other offeror's slightly higher adjectival rating and numerical score for the Management subfactor of the Mission Suitability factor are not sufficiently significant to outweigh the cost difference.

Also, there is no superiority justification that would allow for the paying of the additional costs proposed by the other offeror. Lockheed Martin's lower proposed cost, albeit lower scored in the Mission Suitability Management subfactor, meets the Government's needs. I concluded that their Management subfactor findings do not pose a risk to performance and do not indicate or evidence a lack of understanding of the requirements of the proposed effort. Lockheed Martin's proposal meets and repeatedly exceeds the requirements of the RFP and offers the best value to the Government.

The other offeror, with the higher Management subfactor numerical score, does not offer a more superior proposal. Both Lockheed Martin and the other offeror received identical numerical scores and ratings for the Technical Performance subfactor while Lockheed Martin received higher numerical scores for the Safety and Health and Small Business Utilization subfactors. Further, although when combined the Mission Suitability factor and Past Performance factor are significantly more important than the Cost factor, both proposals received similar overall ratings for the Mission Suitability factor and the Past Performance factor, not warranting the significantly higher cost proposed by the other offeror.

Based on my considerations outlined above, I conclude that Lockheed Martin's offer, in my judgment, is clearly the most advantageous to the Government. The "Excellent" Mission Suitability rating, the "Very High Level of Confidence" rating for Past Performance, coupled with its lower probable cost, amply demonstrate Lockheed Martin's ability to successfully perform the contract requirements while providing the overall best value to the Government. Accordingly, I select Lockheed Martin Services, Inc. for award of the Test Operations Contract at John C. Stennis Space Center.

Patrick E. Scheuermann
Source Selection Authority