

**Source Selection Decision**  
**Technology, Engineering, and Aerospace Mission Support 2 (TEAMS 2)**  
**RFP: NNL11ZB1002R**

On January 13, 2012 the Source Evaluation Board (SEB) for the Technology, Engineering, and Aerospace Mission Support 2 (TEAMS 2) procurement presented its final evaluation to me in a formal briefing.

**Background**

The TEAMS 2 contract will provide engineering services to support research and technology development in order to meet evolving NASA mission objectives. Work requirements include support of scientific research; engineering design, analysis, and development; technology readiness level advancement of work associated with evolving NASA missions; implementation of technology programs; test implementation and operations; systems analysis and conceptual design; and program/project management support. The Contractor will support multiple long term, complex NASA missions.

The TEAMS 2 procurement will result in award to the Offeror who presents the best value to the Government based on the evaluation of Mission Suitability, Cost/Price and Past Performance evaluation factors. The contract type is cost plus award fee with a CLIN for issuing Indefinite Delivery/Indefinite Quantity (IDIQ) Task Orders. The period of performance, including all options, will be five years from the effective date of award.

A Procurement Strategy Meeting was held on September 27, 2010 at NASA Headquarters in Washington, DC and the Procurement Strategy was subsequently approved. The procurement was conducted as a 100% Set-Aside for Small Business competition. Market research was accomplished by posting a Sources Sought Notice on FedBizOpps (Federal Business Opportunities) website on May 14, 2010. There were 20 respondents to the Sources Sought Notice. Seven of the respondents were small businesses with viable capability to perform the requirements of the TEAMS 2 contract. A Draft Request for Proposal (DRFP) was issued on January 27, 2011 for comments from industry. On February 8, 2011, a Pre-Solicitation Conference was held at NASA Langley, with 40 companies attending, including small and large businesses and independent consultants.

The RFP was issued on March 15, 2011, with a request for the Past Performance Proposal to be submitted by April 15, 2011 and a proposal response date of May 2, 2011. Subsequently, six amendments followed:

- Amendment 1 was issued on March 28, 2011 updating responses to industry questions on the solicitation and notifying Offerors of updates to the Langley FOIA Reading Room Website. No changes were made to the solicitation.

- Amendment 2 was issued on April 1, 2011 updating responses to industry questions on the solicitation and incorporating revisions to Paragraph L.16(4)(d) "Direct Labor" of the RFP.
- Amendment 3 was issued on April 8, 2011 updating responses to industry questions on the solicitation and providing Offerors information on proposal due dates in the event of a Government shutdown.
- Amendment 4 was issued on October 21, 2011 (subsequent to competitive range determination) implementing funding guidance from Procurement Information Circular (PIC) 11-04 "CAS Funded Contracts which Cross Fiscal Year" and 11-05 "FAR 37.106 – Funding and Term of Service Contracts" and incorporating administrative changes to the RFP based on the funding guidance. A teleconference was also conducted on October 25, 2011 to clarify Offeror questions pertaining to implementation of the PICs.
- Amendment 5 was issued October 28, 2011 incorporating Optional Form 336, Revised Exhibit H, and revised Other Direct Cost table. The amendment also included instructions for submitting revised proposals (as a result of Amendment 4) and provided teleconference slides, along with questions and responses from the Amendment 4 teleconference conducted on October 25, 2011.
- Amendment 6 was issued on December 2, 2011 incorporating FAR 52.203-16, Preventing Personal Conflicts of Interest, into the RFP. Offerors were provided the opportunity to address the FAR requirements by submitting revised OCI/PCI plans.

The following companies responded to the RFP:

Analytical Mechanics Associates, Inc. (AMA)  
Analytical Services & Materials, Inc. (AS&M)  
Arctic Slope Regional Corporation (ASRC) Aerospace Corporation (ASRCA)  
Engineering Research and Consulting, Inc. (ERC)  
Science Systems and Applications, Inc. (SSAI)  
Sierra Lobo, Inc. (SLI)

### **Evaluation Factors**

The RFP set forth the following three evaluation factors:

- Factor 1: Mission Suitability
- Factor 2: Cost/Price
- Factor 3: Past Performance

The RFP specified the adjectival ratings, definitions and percentile ranges in accordance with NASA FAR Supplement (NFS) 1815.305 and stated that these would be used in the evaluation of the Mission Suitability Subfactors.

The Mission Suitability Subfactors and the weights assigned were as follows:

Subfactor 1 - Management (MGMT) 600 points

MGMT 1 – Approach for Managing the Contract

MGMT 2 – Approach for Recruiting, Retaining, Motivating, and Incentivizing Employees

MGMT 3 – Electronic Management Information System (EMIS)

MGMT 4 – Organizational Conflicts of Interest (OCI)

MGMT 5 – Subcontract Management

Subfactor 2 - Understanding the Requirement and Technical Approach (URTA) 400 points

URTA 1 – Technical Understanding

URTA 2 – Approach for Performing the Technical Requirements

The RFP stated the contract would be awarded to the Offeror that can perform the contract in a manner most advantageous to the Government, all factors considered. In addition, the RFP stated that the Source Selection Authority (SSA) will make an integrated assessment of each offer and comparatively evaluate competing offers, considering input from the Source Evaluation Board (SEB) which rated Mission Suitability and Past Performance and considered Cost/Price in accordance with Section M. The RFP also provided that award could be made without discussions (RFP Section L.14 (d)(1)). Each evaluation factor was essentially equal in importance, and all evaluation factors other than Cost/Price, when combined, were significantly more important than Cost/Price.

### **Factor 1 – Mission Suitability**

The SEB used the following adjectival and numerical ratings to evaluate the Mission Suitability Factor (NFS 1815.305)

ADJECTIVAL RATING	DEFINITIONS	PERCENTILE RANGE
Excellent	A comprehensive and thorough proposal of exceptional merit with one or more significant strengths. No deficiency or significant weakness exists.	91-100
Very Good	A proposal having no deficiency and which demonstrates over-all competence. One or more significant strengths have been found, and strengths outbalance any weaknesses that exist.	71-90
Good	A proposal having no deficiency and which shows a reasonably sound response. There may be strengths or weaknesses, or both. As a whole, weaknesses not off-set by strengths do not significantly detract from the Offeror's response.	51-70
Fair	A proposal having no deficiency and which has one or more weaknesses. Weaknesses outbalance any strengths.	31-50
Poor	A proposal that has one or more deficiencies or significant weaknesses that demonstrate a lack of overall competence or would require a major proposal revision to correct.	0-30

Definitions:

The SEB used the following definitions to develop its findings:

The definitions for Deficiency, Weakness, and Significant Weakness are required to be used as defined in FAR Part 15.001 as follows:

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.

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

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

The definitions for Strength and Significant Strength are not in the FAR, however, the following definitions were used:

Strength is an aspect of the proposal that increases the probability of successful contract performance.

Significant Strength is an aspect of the proposal that appreciably increases the probability of successful contract performance.

## **Factor 2 – Cost/Price**

The RFP did not provide for adjectival ratings or numerical scores under the Cost/Price Factor; however, the RFP provided evaluation language within Section M, as follows:

“NASA will conduct an analysis of the proposed costs to determine price reasonableness and cost realism and establish a probable cost. This analysis will also include a comparison to the Government independent cost estimate. NASA will perform a cost realism analysis to determine whether the estimated proposed cost elements are realistic for the work to be performed; reflect a clear understanding of the requirements; and are consistent with the unique methods of performance and materials described in the Offeror’s technical proposal. Proposed resources that are unrealistic may adversely affect Mission Suitability scores, and result in cost realism adjustments under this cost factor.

The total probable cost is inclusive of the Base Mission Support and IDIQ maximum (CLINs 001-013) for the base period of performance and all options plus any phase-in costs, if proposed.”

## **Factor 3 – Past Performance**

Under the Past Performance Factor, the SEB assessed each Offeror’s record of performing services that are similar in size, work content and complexity to the requirements of this solicitation. Specifically, the RFP stated that “each of the adjective ratings below has a "performance" component and a "relevance" component. The Offeror must meet the requirements of both components to achieve a particular rating. In assessing relevance, the Government will consider the degree of similarity in size, work content, and complexity managed to the requirements in this solicitation, as well as the recency, and duration of the past performance.”

### Rating Definitions:

The SEB used the following confidence level ratings to evaluate the Past Performance Factor (NFS 1815.305):

**Very High Level of Confidence**

The Offeror's relevant past performance is of exceptional merit and is very highly pertinent to this acquisition; indicating exemplary performance in a timely, efficient, and economical manner; very minor (if any) problems with no adverse effect on overall performance. Based on the Offeror's performance record, there is a very high level of confidence that the Offeror will successfully perform the required effort.

**High Level of Confidence**

The Offeror's relevant past performance is highly pertinent to this acquisition; demonstrating very effective performance that would be fully responsive to contract requirements with contract requirements accomplished in a timely, efficient, and economical manner for the most part with only minor problems with little identifiable effect on overall performance. Based on the Offeror's performance record, there is a high level of confidence that the Offeror will successfully perform the required effort.

**Moderate Level of Confidence**

The Offeror's relevant past performance is pertinent to this acquisition, and it demonstrates effective performance; fully responsive to contract requirements; reportable problems, but with little identifiable effect on overall performance. Based on the Offeror's performance record, there is a moderate level of confidence that the Offeror will successfully perform the required effort.

**Low Level of Confidence**

The Offeror's relevant past performance is at least somewhat pertinent to this acquisition, and it meets or slightly exceeds minimum acceptable standards; adequate results; reportable problems with identifiable, but not substantial, effects on overall performance. Based on the Offeror's performance record, there is a low level of confidence that the Offeror will successfully perform the required effort. Changes to the Offeror's existing processes may be necessary in order to achieve contract requirements.

**Very Low Level of Confidence**

The Offeror's relevant past performance does not meet minimum acceptable standards in one or more areas; remedial action required in one or more areas; problems in one or more areas which, adversely affect overall performance. Based on the Offeror's performance record, there is a very low level of confidence that the Offeror will successfully perform the required effort.

**Neutral**

In the case of an Offeror without a record of relevant past performance or for whom information on past performance is not available, the Offeror may not be evaluated favorably or unfavorably on past performance [see FAR 15.305(a)(2)(ii) and (iv)].

## Evaluation Procedures

Prior to issuance of the RFP, an SEB was appointed to conduct an evaluation of proposals received in response to the RFP. The SEB conducted the evaluation of proposals in accordance with Section M of the RFP. The SEB began its evaluation upon receipt of the Past Performance Proposals (Volume III), which were received from the Offerors prior to the proposal due date. The Past Performance Consultants (PPC) reviewed each Offeror's Past Performance Proposal, all of the past performance questionnaires, and information obtained from the NASA Past Performance Database (PPDB) and the Past Performance Information Retrieval System (PPIRS) as applicable. To determine work content relevance, the PPC reviewed each contract that each Offeror submitted by comparing the description of the contract within the Offeror's past performance proposal to the work (by SOW area) in the TEAMS 2 SOW. The PPC also reviewed the past performance information and determined size and complexity relevance for each Offeror. The PPC then assigned a recommended overall relevance rating for each Offeror based on an integrated assessment of the size, work content (SOW area ratings) and complexity for each Offeror. In addition to reviewing the Past Performance Proposals, the SEB utilized the PPC's integrated relevance assessments along with the PPC's assessments of the Offeror's performance ratings to assign an overall past performance confidence level based on the definitions in the NFS.

Upon receipt of the Technical Proposals (Volume I) and the Business Proposals (Volume II), the SEB conducted an initial review of each Technical Proposal and the Cost/Price Analyst reviewed the Business Proposals to determine if any were unacceptable as defined in NFS 1815.305-70. The Contract Specialist reviewed each model contract, applicable terms and conditions and Representations and Certifications for each Offeror. Immediately following receipt of proposals, it appeared that all proposals were acceptable and warranted a full evaluation. However, SSAI subsequently was removed from further consideration after it was determined that SSAI failed to meet the requirements of FAR Clause 52.219-14, "Limitations on Subcontracting". Thus a full evaluation was not conducted on SSAI's proposal. On August 19, 2011, the Contracting Officer informed SSAI that its proposal was removed from further consideration. SSAI requested a postaward debriefing.

Each SEB member performed a detailed review of the remaining Offerors' Technical Proposals and documented strengths and weaknesses for each Mission Suitability subfactor. The SEB consultants independently reviewed specific areas of each proposal relevant to the factor for which they possess subject matter expertise and provided input to the SEB voting members for consideration. After completion of the individual evaluations for each subfactor, the SEB convened to discuss individual findings and to develop consensus on strengths and weaknesses for each of the Offerors. The SEB then reviewed the findings for each Offeror to ensure that all proposals were evaluated consistently and objectively. Upon completion of the evaluation of all subfactors for all Offerors, the SEB assigned adjectival ratings and percentage scores to each subfactor based on the consensus findings, and then assigned a point score for each subfactor to derive the overall Mission Suitability score in accordance with NFS 1815.305.

The SEB, in concert with the Cost/Price Analyst, reviewed each Offeror's Business Proposal to determine whether the cost proposal was reasonable, realistic and consistent with the technical approach. The Cost/Price Analyst assessed the cost proposals to ensure compliance with the Cost/Price evaluation factor. The SEB provided the results of its review to the Cost/Price Analyst who incorporated the results into the detailed analysis of the Offeror's cost proposal.

The Contracting Officer carefully reviewed the facts presented in the initial findings and discussed the findings with the SEB. In accordance with FAR 52.215-1(f)(4), the Contracting Officer determined that, based on the SEB's initial findings, discussions would be required and award without discussions could not be made. The Contracting Officer also determined that the ASRC and ERC proposals were not among the most highly rated proposals and excluded them from the competitive range. A competitive range of the most highly rated proposals (AMA, AS&M and SLI) was established in accordance with FAR 15.306(c).

On October 21, 2011, the Contracting Officer notified ASRC and ERC that their proposals were excluded from the competitive range. Preaward debriefings were provided to ERC on November 4, 2011 and to ASRC on November 7, 2011.

On October 21, 2011, the Contracting Officer also notified AMA, AS&M and SLI that their proposals were included in the competitive range. Discussion questions were issued on October 28, 2011 to each of the three Offerors providing them with an opportunity to address weaknesses identified throughout the evaluation process. Additional discussions were held with the three Offerors to address weaknesses identified in revised proposals and responses to prior discussion questions. All responses were reviewed and evaluated by the SEB.

Final Proposal Revisions were requested on December 16, 2011 with a response date of December 19, 2011.

## **Evaluation Findings**

### **Factor 1 – Mission Suitability**

Set forth below is a summary of the final Mission Suitability Findings for the three Offerors in the competitive range:

#### **AMA**

AMA received a Mission Suitability score of 924. AMA's final proposal evaluation contained significant strengths and strengths, with no significant weaknesses or weaknesses, as summarized below.

**Subfactor 1 - Management (MGMT)**

AMA received an adjectival rating of Excellent for Subfactor 1.

**Approach for Managing the Contract**

AMA received a significant strength for its comprehensive decision making process that includes clear delineation of the responsibilities, functions and levels of autonomy and delegation of authority within the organization, and the proposed lines of communication between all organizational elements, subcontractors, and NASA personnel. The proposed decision making processes are highly efficient and effective as they provide ample oversight from both administrative and technical points of view, including attention to risk, innovation and OCI. The Program Manager (PM) has complete autonomy and authority to execute all facets of the TEAMS 2 contract and clearly delegates Technical Direction Notice (TDN)/task management authority to the Functional Managers (FMs). Interfaces to NASA personnel are clearly defined and combined with the proposed use of the Electronic Management Information System (EMIS) to facilitate communication channels, demonstrate an in-depth understanding of the requirements associated with the decision making processes at LaRC. AMA uses executive leadership to prioritize and manage risk and innovation. AMA received another significant strength for proposing a highly qualified PM who has extensive relevant education and experience. The proposed PM has a Ph.D. in a relevant technical field, over 15 years of technical management experience, and experience as the PM for the current TEAMS contract, where he implemented processes and tools that significantly improved the overall management of the contract.

AMA's proposal evaluation also contained a significant strength for its comprehensive approach for day-to-day management of the contract that demonstrates a very thorough understanding of the Base Mission Support (BMS) and IDIQ requirements. AMA has proposed efficient processes that feature integration of business and technical management systems which enhances the effectiveness of day-to-day management of the contract. AMA provided a detailed description of the Technical Direction Notice (TDN)/task formulation and execution process. The Annual Work Plan is a central feature of AMA's management strategy and leverages use of a database to maintain a continuously updated view of the workforce. AMA's proposal also received a significant strength for its identification and prioritization of the most significant risks associated with managing the contract and its approach to managing such risks. Some of the key elements of AMA's risk mitigation plan included: reducing potential OCI risk by proposing a diverse team with redundant capabilities and performing OCI reviews prior to TDN/task assignments; addressing potential risk associated with workforce variability through the use of databases to enable rapid identification and assignment of qualified personnel to respond to workforce volume and skill mix dynamics; and utilizing current relationships for technician training and back-fill to address the risk associated with technician availability.

AMA received a strength for its proposed organizational structure as it demonstrated a sound understanding of the requirements for efficiently managing and facilitating the work. The

proposed organizational structure shows a balanced approach for the management of the contract including the prime contractor and significant subcontractors. In addition, separate administrative and technical functions offer advantages in defining and executing work and improving forecasting of work requirements.

#### Approach for Recruiting, Retaining, Motivating, and Incentivizing Employees

AMA received a strength for its sound strategy for proactively recruiting, retaining, motivating, and incentivizing employees over the life of the contract, which will help attract and retain highly qualified personnel. Examples of AMA's policies, procedures, and methods include: signing bonuses to ensure key technical positions are retained; mentoring program; corporate innovation award; and hiring co-op students to provide a pipeline of new talent. AMA received another strength due to its utilization of a variety of software tools to quickly adapt to changing missions, requirements, priorities, workload, and funding fluctuations, and for "what if" workforce planning. This approach included consolidation of workforce related data for partners, subcontractors, and Subject Matter Experts (SMEs). AMA also received a strength for proposing a sound total compensation plan which includes: incumbents maintaining salary and accrued vacation levels; performance-based bonus plan; monetary bonuses for technical and management innovation, safety, process improvement, and cost reduction; and reimbursement for professional development.

#### Electronic Management Information System (EMIS)

AMA received a strength for its approach to the EMIS which demonstrated a sound understanding of EMIS requirements identified in SOW Section 3.2 and how it will use the EMIS to plan, organize, direct, control, and document all SOW related activities. AMA has assembled a business and technical team to address requirements, compliance and gap analysis between the current capabilities of its systems and TEAMS 2 EMIS requirements. AMA's proposed EMIS integrates contract execution data, including TDN/task, OCI, Human Resources, AWP, cost/accounting, purchase request (PR), reporting, and deliverables. AMA's proposed EMIS will allow immediate access to contract data, including cost and schedule data, for all authorized users.

#### Organizational Conflicts of Interest

AMA received a significant strength for its approach to identifying, mitigating, and/or avoiding OCIs and PCIs which demonstrated a comprehensive understanding of regulatory trends and requirements. The proposal included a comprehensive education and training program and a proactive approach to address changes to relevant OCI/PCI issues.

In addition, AMA received a strength for its approach to identifying, mitigating and/or avoiding OCIs and PCIs. This included an effective ongoing avoidance and mitigation process for OCIs and PCIs and periodic OCI/PCI audits of all NASA contracts to check for OCIs or PCIs.

### Subcontract Management

AMA received a strength for its plan for providing subject matter experts (SMEs) which utilizes effective processes and tools that enable automated tracking of technical, schedule and cost performance at the sub-task level and across the entire portfolio of SMEs and consultants, enabling cost-effective and rapid response to dynamic work requirements and the delivery of accurate, customized technical and financial reports.

### **Subfactor 2, Understanding the Requirements and Technical Approach (URTA)**

AMA received an adjectival rating of Excellent for Subfactor 2.

#### Technical Understanding

AMA received a significant strength for its comprehensive understanding of the technical requirements demonstrated by its identification, prioritization and explanation of significant technical risks. AMA identified risks that span multiple technical disciplines; impacted disciplines are identified, with descriptions of how the risk is related. AMA provided approaches for managing each risk, along with examples of how AMA had applied proposed risk management approaches. The process used for identifying, prioritizing, and managing risks is comprehensive and provides insight into the strategy for effectively managing risks. Detailed information covering the entire life-cycle of all risks will be captured and accessible through EMIS by contractor and LaRC personnel at any time.

#### Approach for Performing the Technical Requirements

AMA received a significant strength for providing a comprehensive plan for implementing innovations or process improvements within the first 3 years of the contract that when implemented, will significantly increase the probability of delivery of improved quality products or services while maintaining or reducing costs to the Government. AMA proposed a stage-gate process to identify innovation opportunities and to conduct a systematic cost-benefit study to determine candidates for further investment. AMA's proposed innovations were related to its ten most significant risks.

### **AS&M**

AS&M received a Mission Suitability score of 814. AS&M's final proposal evaluation contained significant strengths, a significant weakness, and strengths as summarized below. There were no weaknesses.

#### Subfactor 1- Management (MGMT)

AS&M received an adjectival rating of Very Good for Subfactor 1.

### Approach for Managing the Contract

AS&M received a significant strength for its identification and prioritization of the most significant risks associated with managing the contract and its approach to managing such risks which demonstrated a thorough understanding of the management requirements. Some of the significant risks identified and the mitigation plans for those risks included managing funding instability and unknown future mission requirements by utilizing team resources to address ramp up or ramp down; and avoiding shortfalls of critical skills by providing team reach back of resources through technical networks, mentoring and intern programs, and use of award fee sharing.

In addition, AS&M received a significant weakness. AS&M's proposed organizational structure included Discipline Managers (DM) as key positions; however, their duties also included performing direct technical work on tasks in assigned discipline areas which potentially decreases the efficient and effective management of contract requirements. Due to the nature of the contract requirements and the fact that AS&M proposes to utilize DMs to manage multiple disciplines, uncertainties associated with the magnitude of the DMs' additional technical duties potentially impacts the ability of the DMs to effectively perform key management functions and bring added value to performance of the contract.

AS&M received a strength for efficient and effective decision making processes which are based on three primary tenets: pushing decision-making authority down to the lowest possible level, effective communication within the Contractor's organization and with LaRC, and appropriate involvement of specialty team expertise as needed. AS&M also received a strength for proposing a PM who is well qualified based on his education and experience. The proposed PM has a Ph.D. in a relevant technical discipline, provided contractor support under other NASA engineering support contracts and has made significant technical contributions in analytical, numerical and experimental areas of materials science and engineering.

### Approach for Recruiting, Retaining, Motivating, and Incentivizing Employees

AS&M received a strength for proposing a sound strategy for recruiting, retaining, motivating, and incentivizing employees over the life of the contract. Examples of strong policies, procedures, and methods include: signing bonuses to qualified candidates, bridge program for mentoring, sharing of earned award fee and cash bonuses for noteworthy performance and innovation awards, co-op and internship program, and telecommuting. AS&M also received a strength for proposing a sound total compensation plan to attract, retain and motivate employees. This plan included: tuition reimbursement for professional development; and matching the wages of the incumbent staff and honoring their seniority at LaRC for determining the annual paid time off.

### Electronic Management Information System (EMIS)

AS&M received a significant strength for its approach to the EMIS which demonstrated a thorough understanding of the requirements identified in SOW Section 3.2 and how it will use the EMIS to plan, organize, direct, control, and document all SOW related activities. The proven platform, utilization of open source applications, comprehensive understanding of NASA EA-STD-0001, utilization of a rigorous configuration management approach, and real-time financial insight significantly reduce the risk associated with implementing an effective EMIS system. In addition, the system is easily portable and does not have additional licensing fees.

### Organizational Conflicts of Interest

AS&M received a significant strength for its approach to employee OCI and PCI training and for its approach to identifying, mitigating and/or avoiding PCIs for employees performing work under the contract. This included an effective process to obtain information necessary to manage PCI's effectively and to ensure employees remain aware of their obligation to notify the Contractor of changes in their status during performance of work under the contract.

In addition, AS&M received two strengths for its approach to identifying, mitigating, and/or avoiding OCIs and PCIs. First, AS&M received a strength for its effective process for maintaining corporate involvement and communication during contract performance. By involving senior management in the OCI/PCI process, such issues are addressed at the highest levels of the company, ensuring proper attention is paid to conflicts of interest. Second, AS&M received a strength for its effective screening process that uses an up to date database of all active and recently completed contracts to be used prior to submitting a task proposal.

### Subcontract Management

AS&M received a strength for its approach for obtaining subcontracting arrangements and providing SMEs to accomplish the SOW. AS&M's approach included partnering with affiliate Universities to access Subcontractors/SMEs from academia, and development of a Contingent Workforce database of temporary and part-time employees to use on TEAMS 2.

### **Subfactor 2, Understanding the Requirements and Technical Approach (URTA)**

AS&M received an adjectival rating of Very Good for Subfactor 2.

### Technical Understanding

AS&M received a significant strength for demonstrating a comprehensive technical understanding of the requirements by its identification, prioritization and explanation of the most significant technical risks associated with performing the Statement of Work (SOW) requirements. AS&M determined that the most significant technical risks affect multiple technical disciplines. AS&M's process also included utilization of an Executive Council to

proactively avoid risks through open communication with LaRC leadership. In addition, risks were identified by describing uncertainties, creating event scenarios that develop from the uncertainties, and describing consequences that result if the scenarios occur.

#### Approach for Performing the Technical Requirements

AS&M received a strength for its robust plan for implementing innovations. AS&M proposed the use of a team for identifying, analyzing, evaluating, and implementing innovation opportunities that will increase the probability of delivery of improved quality products or services while maintaining or reducing costs to the Government. AS&M developed a table of candidate innovation areas that will be incorporated into a report which will be used to identify, track and rate emerging technologies, ideas and innovations for areas of work specified in the TEAMS 2 SOW.

### **SLI**

SLI received a Mission Suitability score of 642. SLI's final proposal evaluation contained significant strengths, a significant weakness, strengths and weaknesses as summarized below.

#### Subfactor 1- Management (MGMT)

SLI received an adjectival rating of Very Good for this Subfactor.

#### Approach for Managing the Contract

SLI received a significant strength for its approach for day-to-day management of the contract including a comprehensive understanding of the significance of the Annual Work Plan, as it relates to Base Mission Support and IDIQ requirements. SLI's management team reviews and refines the draft AWP and works across internal organizational (Departmental) boundaries and manages the entire workforce to achieve efficiencies and savings. SLI plans Base Mission Support and Task Order responses using the same process and exercises the same discipline for TDNs and TOs to meet schedules and budget.

In addition, SLI received a significant weakness. SLI's proposed organizational structure included Department Managers (DM) as key positions, however, their duties also include performing direct technical work on tasks in assigned discipline areas which potentially decreases the efficient and effective management of the contract requirements. Due to the nature of the contract requirements and the fact that SLI proposes to utilize DMs to manage multiple disciplines, uncertainties associated with the magnitude of the DM's additional technical duties potentially impacts the ability of the DMs to effectively perform key management functions and bring added value to performance of the contract. In addition, the Deputy Program Manager also serves as a DM and there is uncertainty as to how one person will perform multiple key positions effectively.

SLI's proposal also included two strengths. First, SLI received a strength for proposing efficient and effective decision making processes including the responsibilities, functions and levels of autonomy and delegation of authority within the organization, and the proposed lines of communications between all organizational elements and subcontractors. The PM delegates decision authority to the lowest level possible within the staff to capture the effects of the staff's initiatives. In addition, Subcontractors identify a single POC for reach-back, problem escalation, and day-to-day subcontract management. Second, SLI received a strength for proposing a PM who is well qualified based on his education and experience. The proposed PM has multiple degrees in relevant technical disciplines and has 27 years of experience working at NASA in various management roles. The proposed PM also has PM experience for two NASA business and partnership development contracts at Dryden Flight Research Center (DFRC) and Glenn Research Center (GRC).

#### Approach for Recruiting, Retaining, Motivating, and Incentivizing Employees

SLI received a strength for proposing a sound strategy for recruiting, retaining, motivating and incentivizing employees over the life of the contract. This strategy included: matching or exceeding the pay and benefits of the incumbent contractors; bonuses for retirement-bound employees incentivizing them to remain in current position and mentor replacement; establishing TEAMS 2 academy to provide training programs to supplement formal education of staff; and implementing flex-time schedule and telecommuting. SLI also proposed an award system for contributions in the areas of creativity and innovation; implementation of new technologies, safety, and new business; reimbursement for costs incurred in support of professional organizations; and awards/promotions for completion of formal degrees. SLI received an additional strength as a result of proposing a sound total compensation plan. SLI's plan includes overtime pay for exempt and non-exempt employees; tuition reimbursement; Employee Assistance Program; Award Fee Sharing; and current incumbent employees will receive credit for previous service under other contracts.

#### Electronic Management Information System (EMIS)

SLI received a strength for its approach to the Electronic Management Information System (EMIS) which demonstrated sound understanding of the EMIS requirements identified in SOW Section 3.2 and how it will use the EMIS to plan, organize, direct, control, and document all SOW related activities. SLI's proposed EMIS has a short cycle time for cost reporting. In addition, displays and data can be tailored in the following areas: Requirements Tracking, Financial Management, What-If Analysis, Resource Management, and Reporting.

#### Organizational Conflicts of Interest

SLI received a significant strength for its approach for identifying, mitigating and/or avoiding PCIs for employees performing work under the contract. This approach includes a highly

effective process, utilizing automation tools, to ensure employees report potential PCIs and to update their disclosure statements whenever changes occur.

In addition, SLI received a strength for its approach to identifying, mitigating and/or avoiding OCIs and PCIs which included an effective approach for maintaining corporate communications during contract performance to identify potential OCIs that could arise. SLI's Program Manager will attend company-wide business development meetings to discuss bid and proposal plans and forecasts for the entire corporation.

### Subcontract Management

SLI received a strength for its approach to obtaining subcontracting arrangements to accomplish the SOW and access external sources. SLI's approach included the DPM actively managing the composition of a subcontracting team that extends beyond the significant subcontractors, based on the Government requirements. In addition, SLI's subcontracting approach included partnering with Universities to access Subcontractors/SME's from academia.

### **Subfactor 2, Understanding the Requirements and Technical Approach (URTA)**

SLI received an adjectival rating of Fair for Subfactor 2.

### Technical Understanding

SLI received a strength for providing a thorough description of its process used for identification, prioritization, and management of technical risks as applied to both the ten most significant technical risks and the work under the contract. SLI's proposed PM has overall responsibility for the Risk Management Program while DMs take ownership of the identified/assigned risks. SLI proposed a systematic method to identify technical risks, assess risks, estimate the likelihood and severity of the risks, determine the appropriate approach, and monitor and report status of risks within EMIS.

In addition, SLI received a weakness for not demonstrating adequate technical understanding of the TEAMS 2 requirements. SLI listed 10 risks that it considers applicable to the TEAMS 2, but not all of the listed risks were technical in nature. Also, SLI did not recognize the importance of safety and health in the proposed management or technical risks, which is not aligned with the NASA safety-first work environment.

### Approach for Performing the Technical Requirements

SLI received a weakness for not adequately demonstrating how cost savings initiatives (Staff Greening, Best Practices and Innovations, and LASER Integration) when implemented, would result in improved quality of products or services while maintaining or reducing costs to the Government. For example, the Government is concerned that the Staff Greening initiative's change in labor categories to more junior personnel could result in lower quality products

and/or delayed deliverables. SLI refers to how Staff Greening and contract consolidation has been successfully applied to past contracts such as Test Facilities, Operations, Maintenance, and Engineering (TFOME); however, the work requirements under these contracts have limited similarity to TEAMS 2 (which will provide Research Support and Engineering Services). SLI also proposed a significant reduction in direct labor hours as a result of its Best Practices and Innovations; however, the proposal does not adequately explain how these initiatives will result in reduced labor hours, while improving quality of products or services. SLI assumed significant cost savings from these initiatives and incorporated these savings into its proposed approach; however, because these assumptions are based on experience with different types of contracts from TEAMS 2, they are of limited applicability to TEAMS 2.

## **Factor 2, Cost/Price**

The SEB and Cost/Price Analyst performed an analysis of the proposed prices to assess price reasonableness and cost realism, to determine whether the Offerors demonstrated a clear understanding of the requirement and could perform the contract for the stated cost. The findings are summarized below:

AMA's probable cost was \$327.5M. Based on the cost realism analysis and SEB review of AMA's revised cost proposal and final proposal revision, the SEB and Cost/Price Analyst did not have any cost related concerns nor were there any inconsistencies between the cost and technical proposals. No adjustments were made to AMA's proposed final price.

AS&M's probable cost was \$302.0M. Based on the cost realism analysis and SEB review of AS&M's revised cost proposal and final proposal revision, the SEB and Cost/Price Analyst had concerns regarding whether AS&M's proposed final price is realistic for the work to be performed and whether it reflects a clear understanding of the TEAMS 2 requirements. Three cost adjustments totaling \$17.5M were made to AS&M's proposed final price for the following reasons. First, because AS&M stated in its technical proposal that it will match the wages of the incumbent staff, labor rates were adjusted for 20 labor categories that were still low compared to the TEAMS CY 2012 labor rates; therefore, AS&M's proposed final price was adjusted upward by \$12.5M. Second, AS&M's proposed final price was adjusted upward by \$3.2M as a result of increasing direct labor hours for two labor categories (AS&M's Engineer IV and its significant subcontractor's Engineer IV). AS&M's original cost proposal did not include direct labor hours for Discipline Managers (DMs). In its revised cost proposal, AS&M removed direct labor hours from Engineer IV category and assigned them to newly proposed categories for the DMs (AS&M Engineer Supervisor VI/Supervisor VII and subcontractor Engineer Supervisor VIII). However, the aggregate number of proposed direct labor hours remained the same. Although the SEB concurred with AS&M's proposed direct labor hours/categories for the DMs, the SEB did not agree that hours should have been removed from the Engineer IV labor categories and recommended the same number of labor hours be added back to the Engineer IV labor categories. Finally, AS&M's proposed final price was adjusted upward by \$1.8M to correct an error made in applying material/subcontract handling rates. Adjustments totaling \$17.5M are

of concern and increase the probability of cost overruns during execution of the contract since the contract would be awarded at the final proposed price of \$284.5M.

SLI's probable cost was \$299.9M. Based on the cost realism analysis and SEB review of SLI's revised cost proposal and final proposal revision, the SEB and Cost/Price Analyst had concerns regarding whether SLI's proposed final price is realistic for the work to be performed and whether it reflects a clear understanding of the TEAMS 2 requirements. Two cost adjustments totaling \$11.1M were made to SLI's proposed final price for the following reasons. First, SLI's proposed final price was adjusted upward by \$2.7M as a result of increasing direct labor hours for SLI's Engineer IV labor category. SLI's original cost proposal did not include direct labor hours for Department Managers (DMs). In its revised cost proposal, SLI removed direct labor hours from Engineer IV category and assigned them to newly proposed categories for the DMs (Engineer Supervisor VIII/Supervisor IX). However, the aggregate number of proposed direct labor hours remained the same. Although the SEB concurred with SLI's proposed direct labor hours/categories for the DMs, the SEB did not agree that hours should have been removed from SLI's Engineer IV labor category and recommended the same number of labor hours be added back to SLI's Engineer IV labor category. Second, SLI's proposed final price was adjusted upward by \$8.4M to add back hours and costs for SLI's proposed cost initiatives based on the SEB's finding that this represents a technical weakness. Adjustments totaling \$11.1M are of concern and increase the probability of cost overruns during execution of the contract since the contract would be awarded at the final proposed price of \$288.8M.

### Factor 3, Past Performance

The SEB evaluated the Offerors' past performance records in accordance with Provision M.3 of the RFP. The SEB considered the records of performing contracts similar in size, work content and complexity to the TEAMS 2 requirement. Both the performance records and the relevance (size, work content and complexity) of the experience were evaluated. A confidence rating was assigned in accordance with NFS 1815.305.

Offeror	Relevance Rating (size/work content/complexity)	Performance Rating	Level of Confidence
AMA	Pertinent (SP/VHP/P)	Outstanding	Moderate
AS&M	Somewhat Pertinent (NP/VHP/SP)	Outstanding	Low
SLI	Pertinent (P/P/P)	Outstanding	Moderate

VHP = Very Highly Pertinent  
HP = Highly Pertinent

P = Pertinent  
SP = Somewhat Pertinent

NP = Not Pertinent

The SEB assigned a confidence rating of Moderate to AMA's Past Performance, Factor 3. AMA presented a total of eleven references for past performance, which included four contracts for AMA and seven for AMA's significant subcontractor(s). For Size Relevance, AMA received a Somewhat Pertinent rating as AMA's largest referenced contract had an estimated annual value of about 17% of TEAMS 2's annual government estimate. For Overall Work Content Relevance as compared to TEAMS 2 SOW, AMA and its proposed significant subcontractor(s) received a Very Highly Pertinent rating demonstrating comprehensive coverage of the TEAMS 2 SOW discipline areas, including Very Highly Pertinent or Highly Pertinent ratings in almost all of the TEAMS 2 SOW discipline areas and no omissions in coverage of the SOW. For Complexity Relevance, AMA received a rating of Pertinent as AMA has managed contracts over a broad spectrum of engineering, scientific and management disciplines for work crossing 11 of the 12 TEAMS 2 SOW disciplines. However, the contracts do not present the same or similar diverse management challenges/oversight as compared to TEAMS 2. Even though AMA has not managed individual contracts the size and complexity of TEAMS 2, the AMA Team has performed multi-disciplinary work on a number of contracts which cross all TEAMS 2 SOW disciplines supporting an Overall Relevance rating of Pertinent as compared to the TEAMS 2 requirements. The vast majority of Performance ratings were Outstanding with only two contracts rated at Above Average supporting an Overall Performance rating of Outstanding. Therefore, AMA's Overall Relevance rating of Pertinent and Overall Outstanding Performance rating resulted in a Moderate Level of Confidence for the Past Performance factor.

The SEB assigned a Confidence Rating of Low to AS&M's Past Performance, Factor 3. AS&M presented a total of nine past performance references, which included three contracts for AS&M and six for AS&M's significant subcontractor(s). For Size Relevance, AS&M received a rating of Not Pertinent as AS&M's largest referenced contract had an estimated annual value of about 3% of TEAMS 2's annual government estimate. For Overall Work Content Relevance as compared to TEAMS 2 SOW, AS&M received a rating of Very Highly Pertinent as AS&M, including its proposed significant subcontractor(s), demonstrated comprehensive coverage of the TEAMS 2 SOW discipline areas and received Very Highly Pertinent or Highly Pertinent ratings in all TEAMS 2 SOW areas and had no omissions in technical coverage of the SOW. For Complexity Relevance, AS&M received a rating of Somewhat Pertinent as AS&M's work is specialized and narrowly focused work crossing the TEAMS 2 SOW discipline areas but the contracts do not present the same or similar diverse management challenges/oversight as compared to TEAMS 2. Even though AS&M has not managed individual contracts the size of TEAMS 2, the AS&M team has performed multi-disciplinary work in a number of contracts which cross all TEAMS 2 technical disciplines. However, AS&M has not demonstrated comparable size and complexity pertinence, which results in an Overall Relevance rating of Somewhat Pertinent. All of the referenced contract Performance ratings were Outstanding supporting an Overall Performance rating of Outstanding. Therefore, AS&M's Overall Relevance rating of Somewhat Pertinent and Overall Outstanding Performance rating resulted in a Low Level of Confidence for the Past Performance factor.

The SEB assigned a Confidence Rating of Moderate to SLI's Past Performance, Factor 3. SLI presented a total of eleven past performance references, which included five contracts for SLI

and six for its significant subcontractor(s). Each of the Relevance areas (size, work content, and complexity) was rated Pertinent in comparison to the TEAMS 2 requirements, resulting in an Overall Relevance rating of Pertinent. For Size Relevance, SLI received a rating of Pertinent as SLI's largest referenced contract had an estimated annual value of about 44% of TEAMS 2's annual government estimate. For Overall Work Content Relevance as compared to TEAMS 2 SOW, over half of the SOW technical disciplines were satisfactorily covered by SLI's team with some technical omissions in coverage of four of the TEAMS 2 SOW technical disciplines. For Complexity Relevance, although SLI has some experience in the TEAMS 2 SOW technical disciplines, the work is specialized and does not present the same or similar diverse management challenges/oversight as compared to TEAMS 2. Seven of the referenced contract ratings were Outstanding and three were rated at Above Average resulting in an Overall Performance rating of Outstanding. Therefore, SLI's Overall Relevance rating of Pertinent and Overall Outstanding Performance rating resulted in a Moderate Level of Confidence for the Past Performance factor.

### **Basis for Selection**

The SEB presented its final findings to me on January 13, 2012 and I am convinced that the SEB conducted a thorough, fair, and objective evaluation of all proposals in accordance with the established evaluation criteria in the RFP. I comparatively assessed the proposals against all evaluation factors and subfactors in the RFP. I also considered all factors and their relative weights, in the selection of the Offeror that can perform the contract in a manner most advantageous to the Government.

In comparing the three Offerors in the area of Mission Suitability, Subfactor 1, Management, I noted that AMA received the highest adjectival rating of Excellent; and AS&M and SLI each received an adjectival rating of Very Good.

In assessing Approach for Managing the Contract, AMA had multiple significant strengths and a strength; AS&M had a significant strength, a few strengths and a significant weakness; and SLI had a significant strength, a few strengths and a significant weakness.

AMA's significant strengths included its comprehensive decision making process that provides ample oversight from both administrative and technical points of view and proposes use of the EMIS to facilitate communication channels. AMA also received a significant strength for its comprehensive approach to day-to-day management of the contract with the Annual Work Plan as a central feature of the management strategy which demonstrates a very thorough understanding of the Base Mission Support (BMS) and IDIQ requirements. AMA also received a significant strength for its proposed PM's extensive relevant experience, education, and demonstrated record of highly effective performance improvements while managing the current TEAMS contract. I find these significant strengths to be of substantial value and importance to the Government because the TEAMS 2 contract involves a significant change in contract strategy compared to the previous TEAMS and predecessor engineering service contracts, which were solely task order contracts. The TEAMS 2 contract has a base mission

support CLIN, which will require a significant change in contractor responsibilities and management approach. AMA also identified and prioritized critical risks that are highly relevant to the successful management of the contract and identified sound approaches to mitigate and manage these risks. AMA had a strength for its proposed organizational structure which demonstrates a sound understanding of the requirements and shows a balanced approach for management of the contract.

Similarly, AS&M had a significant strength for its thorough understanding of the management requirements by identifying and prioritizing the most significant risks associated with managing the contract and its approach to managing the risks.

SLI had a significant strength for its approach to day-to-day management of the contract which demonstrates a comprehensive understanding of the significance of the Annual Work Plan as it relates to Base Mission Support and IDIQ requirements. I noted that both AS&M and SLI also received strengths for their efficient and effective decision making processes and proposed PM's education, experience and commitment to the contract.

However, I noted that AS&M and SLI each had a significant weakness for underestimating the duties and responsibilities associated with the proposed Discipline/Department Managers; both Offerors proposed that the managers also perform direct technical work. In addition, SLI's Deputy Program Manager is also proposed as a Department Manager and it is unlikely that one person can execute these multiple key positions effectively. The lack of sufficiently dedicated Deputy Program Managers/Department Managers/Discipline Managers to manage the contract significantly decreases the probability of efficient and effective management of contract requirements.

In summary, for Approach for Managing the Contract, I find that AMA's thorough understanding of the Base Mission Support and IDIQ requirements, which represent a significant change in contract strategy and in contractor responsibilities and management; and AMA's comprehensive approach to managing the contract including a PM with extensive relevant experience offers considerably greater value to NASA when compared to AS&M's and SLI's proposals.

In assessing Approach for Recruiting, Retaining, Motivating and Incentivizing Employees, I noted that all three Offerors had strengths for their proposed approaches for recruiting, retaining, motivating, and incentivizing employees and for total compensation plans. In addition, AMA also received a strength not matched by the other Offerors for proposing multiple approaches to quickly adapt the workforce to changing missions, requirements, priorities, workload and funding fluctuations which are typical of the work environment. I find that AMA provides slightly greater value to NASA than AS&M and SLI because of its effective approach to managing workforce fluctuations.

In assessing Electronic Management Information System (EMIS), I noted that all three Offerors demonstrated a sound understanding of the requirements associated with utilization of EMIS to

plan, organize, direct, control and document all SOW related activities. However, AS&M received a significant strength as its EMIS is built on a mature, proven field-tested platform; utilizes open source applications which requires no additional licensing fees; and provides portability. I also noted that AMA and SLI both had strengths for their EMIS. AMA's approach provides a high level of visibility and flexibility to TEAMS 2 data by integrating various tools utilized to manage the contract and provides immediate access to contract data including cost and schedule data to both the contractor and NASA. SLI's EMIS has the capability to track projects at the sub-task level, simplifying execution of staff cross-utilization; provides financial reporting for disciplines, TDNs, TOs, TMs and projects; and displays and data can be tailored in areas such as "what-if" analysis. I find that AS&M's EMIS offers a greater value due to its open source architecture and mature, proven field-tested platform.

In assessing Organizational Conflicts of Interest, I noted that each of the three Offerors had a significant strength. AS&M also had a few strengths and SLI and AMA each had a strength. AS&M received a significant strength for its approach to employee OCI/PCI training and for identifying, mitigating and/or avoiding PCIs including a comprehensive approach to ensuring employees remain aware of their obligation to notify the contractor of changes in their status during contract performance. AS&M complemented this significant strength with strengths for involving senior management in the OCI/PCI process and an effective screening process that uses an up-to-date electronic database. SLI had a significant strength for its approach to identifying, mitigating, and/or avoiding PCIs including a highly effective process to ensure employees report potential PCIs and update their disclosure statements whenever changes occur. SLI also had a strength for maintaining corporate communications by having the PM attend company-wide business development meetings to discuss bid and proposal plans and forecasts for the entire corporation which will assist in identifying potential OCIs. AMA received a significant strength for its proactive approach to address changes to relevant OCI/PCI issues and its comprehensive training on OCI/PCI and a strength for its effective process for screening for OCIs and PCIs. The nature of the TEAMS 2 work creates a significant opportunity for OCIs and PCIs, which could have severe impacts on NASA programs, other company proprietary data and future business at NASA. Although all three Offerors received significant strengths for their OCI plan, I noted a slightly greater value in AS&M's OCI approach as OCI/PCI is addressed at the highest levels of the company, showing that AS&M recognizes its importance and how it could impact performance.

In assessing Subcontract Management, I noted that all three Offerors had strengths for their approaches to subcontract management to accomplish the SOW requirements. However, AMA's strength was based on its approach to using effective processes and tools for providing SMEs enabling cost-effective and rapid response to dynamic work requirements. Because the use of SMEs is vital to the NESC, the most significant user of SMEs and the current TEAMS contract, I find that AMA's strength stands out among the three Offerors.

While AS&M provides somewhat greater value in Electronic Management Information System and Organizational Conflicts of Interest, AMA's significantly superior Approach for Managing the Contract featuring multiple significant strengths demonstrates a highly effective

management approach for a contract that involves a very broad scope of work crossing multiple technical disciplines and mission areas. This highly effective management approach will appreciably increase the probability of successful contract performance. Additionally, AMA provided somewhat greater value in the Approach for Recruiting, Retaining, Motivating and Incentivizing Employees and Subcontract Management. Based on the comparative assessment of the proposals, in my judgment, the AMA proposal offers significantly greater value for Subfactor 1 when compared to the AS&M and SLI proposals.

In comparing the three Offerors in the area of Understanding Requirements and Technical Approach (URTA), Subfactor 2, I noted that AMA received the highest adjectival rating of Excellent; AS&M received a rating of Very Good; and SLI received a rating of Fair. In assessing URTA, I also noted that AMA received a few significant strengths; AS&M received a significant strength and a strength; and SLI received a strength and a few weaknesses.

In assessing Technical Understanding, I noted that AMA and AS&M both had a significant strength for their comprehensive list of prioritized risks and mitigation plans for such risks, as well as for their well-defined risk management processes. SLI received a strength for its comprehensive risk management process; however, I also noted that SLI had a weakness for its prioritized list of risks, not all of which are technical in nature, and SLI did not recognize the importance of safety and health in the proposed management or technical risks. Therefore I find AMA and AS&M to be essentially equal in this regard. I also find that AMA and AS&M offer greater value in this regard when compared to SLI.

In assessing Approach for Performing the Technical Requirements, AMA had a significant strength for proposing a set of innovations that were tied to its technical risks and a process that included cost-benefit studies for determining candidates for further investment. AS&M had a strength for its innovation process, which included an innovation team and development of a report that identifies, tracks, and rates emerging innovations. SLI received a weakness for not adequately demonstrating how cost savings initiatives would result in improved quality of products or services while maintaining or reducing costs to the Government. SLI's citation to past successful implementation of cost saving initiatives dealt with contracts whose work requirements have limited similarity to TEAMS 2 (Engineering Services). I am concerned that SLI's Staff Greening initiative's change in labor categories to more junior personnel could result in lower quality products and/or delayed deliverables. SLI's proposed significant reduction in direct labor hours as a result of its Best Practices and Innovations is not adequately explained as to how these initiatives will result in reduced labor hours, while improving quality of products or services. SLI's incorporation of savings into its cost proposal without adequate explanation as to how the savings would be achieved increases the risk of unsuccessful contract performance. AMA alone had a significant strength for tying innovations to its technical risks and proposing a process to determine candidates for further investment.

Therefore, for Subfactor 2, I consider AMA to have a stronger understanding of the requirements and a stronger approach for performing the technical requirements. As a result,

AMA's proposal provides greater value when compared to AS&M's proposal and significantly greater value when compared to SLI's proposal.

Considering the two Mission Suitability subfactors, I find that AMA provides a significantly greater value than either AS&M or SLI.

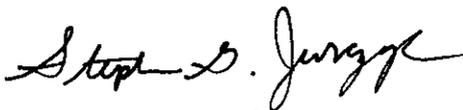
Regarding Factor 2, Cost/Price, an analysis of the proposed prices was performed to assess price reasonableness and cost realism, a clear understanding of the requirements, and the ability to perform the contract. All Offerors' final proposed costs/fee were below the Government Estimate and were within 15.1% of each other, and the probable costs were within 9.2% of each other. I noted that AMA proposed appropriate management staffing and no adjustments were made to its costs. I noted that there was a concern regarding AS&M's and SLI's proposed management staffing for their discipline/department managers which increases the potential for future overruns, reduces management oversight and decreases the probability of efficient and effective management of contract requirements. These concerns played a role in my selection decision.

Regarding Factor 3, Past Performance, both AMA and SLI received a Moderate Level of Confidence rating while AS&M received a Low Level of Confidence rating. All three Offerors demonstrated Overall Performance ratings of Outstanding. Both the AMA and SLI Teams received Pertinent Overall Relevance ratings while AS&M received a Somewhat Pertinent Overall Relevance rating. The SEB rated Overall Relevance based on the degree of similarity in size, work content and complexity of work pertaining to TEAMS 2 requirements and recency and duration of the past performance. I noted that none of the three Offerors have managed contracts of the same size and complexity as TEAMS 2, however of the three Offerors, SLI has the most experience regarding size, and AMA and SLI have the most experience regarding complexity. I also noted that AMA's and AS&M's Overall Work Content ratings were Very Highly Pertinent to the TEAMS 2 SOW requirements. SLI's Overall Work Content rating was Pertinent. Notwithstanding AS&M's Very Highly Pertinent Overall Work Content rating and exemplary performance record, AMA and SLI offer greater value in Subfactor 3 taking into account the size, work content and complexity. AS&M's demonstrated past performance is more specialized and it has not managed contracts of comparable size and complexity to TEAMS 2. While AMA and SLI have the same Past Performance Confidence Level Rating, I gave a slightly greater value to AMA's Past Performance Confidence Level Rating because AMA's Overall Work Content rating is Very Highly Pertinent while SLI's Overall Work Content rating is Pertinent. I gave greater value to AMA's Past Performance Confidence Level Rating of Moderate when compared to AS&M's Past Performance Confidence Level Rating of Low. I have a higher Level of Confidence that AMA, over the other Offerors, will successfully perform the effort based on its demonstrated past performance.

## DECISION

In making the selection decision, I conducted an integrated assessment of each proposal and considered the relative weight of the evaluation factors as indicated within the RFP recognizing that all factors other than cost, when combined, are significantly more important than cost. I find that AMA had a significantly higher rating in Mission Suitability than AS&M and SLI. I also find that AMA can effectively perform this contract based on its demonstrated past performance. Although AMA's probable costs represent higher costs than AS&M's and SLI's probable costs, the combination of AMA's excellent mission suitability evaluation and its proposed cost, which is identical to its probable cost, indicates that AMA has a high probability of meeting the requirements of the TEAMS 2 contract within its proposed costs. I find that the higher cost associated with AMA's proposal is outweighed by the superior value associated with AMA's Mission Suitability relative to AS&M and SLI. Additionally, AMA's Past Performance proposal represents an increased probability of successful contract performance relative to AS&M's Past Performance proposal. While AMA and SLI had similar past performance ratings, I find that AMA's superior technical proposal is worth the higher proposed cost. Therefore, I find that the selection of AMA is in the Government's best interest and provides the best value for the Government.

Accordingly, I select Analytical Mechanics Associates, Inc. (AMA) for award of the TEAMS 2 contract.



Stephen G. Jurczyk  
Source Selection Authority