

Source Selection Statement for the
Multi-Purpose Crew Vehicle Program Integration Contract

On January 10, 2013, I met with members of the Streamlined Procurement Team (SLPT) appointed to evaluate the proposals for the Multi-Purpose Crew Vehicle Program Integration Contract (MPIC) acquisition, Request for Proposal (RFP) NNN12414367R. Several other officials of the Johnson Space Center also attended the meeting.

The Multi-Purpose Crew Vehicle Program Integration Contract (MPIC) is a Cost-Plus-Fixed-Fee (CPFF) contract with an Indefinite Delivery/Indefinite Quantity (IDIQ) ordering mechanism. The MPIC contract consists of a 2 ½ year base period and two one-year option periods, and a 31 day phase-in effort which is Firm-Fixed Price. The guaranteed minimum contract value is \$100,000. The maximum value that can be ordered under IDIQ provisions of this contract is \$49,000,000. This amount includes the value of all work performed under the contract. The procurement is a total small business set-aside.

The requirements defined in Section C of the RFP are to support the Multi-Purpose Crew Vehicle (MPCV) Program Office at NASA Johnson Space Center (JSC) in Houston, Texas. The contractor provides 1) products and professional services to the Program Planning and Control Office; 2) systems engineering and integration services to the Vehicle Integration Office and the Crew and Service Module Office, and to the Test and Verification function performed by multiple Offices; and 3) product support to the Communication and Education Outreach Office. Contractor work includes the integration of Program Office functions performed at Prime Contractor, NASA Center and Partner locations.

Background

On June 26, 2012, the contracting officer issued Request for Proposal (RFP) NNN12414367R with a proposal receipt date of August 13, 2012. Four amendments were issued to the RFP.

RFP Section M.3.1, Introduction states, in part, that:

The Government will award to the Offeror whose proposal offers the best overall value to the Government that meets all solicitation requirements and who is determined responsible and eligible in accordance with FAR Parts 9 and 19.

RFP Section M.3.3, Combination of Technically Acceptable and Trade-off Between Past Performance and Cost/Price, states, in part, that:

All Technically Acceptable and Potentially Acceptable Offerors will be evaluated against past performance, and cost/price criteria.

RFP Section M.3.4, Technical Acceptability (Volume I), states that:

Technical acceptability will be rated as either “Acceptable”, “Potentially Acceptable”, or “Unacceptable.” All Technical Acceptability evaluation subfactors must be passed to be considered technically acceptable.

And Section M.3.3 further provides that:

For those Offerors who are determined to be technically acceptable, tradeoffs will be made between past performance and cost/price. Past performance is significantly more important than cost/price.

The Government will award a contract resulting from this solicitation to the Offeror whose proposal represents the best overall value to the Government that meets all solicitation requirements and is determined responsible in accordance with FAR 9.104, *Standards*.

Evaluation Procedure

Proposals were evaluated in accordance with the RFP. The evaluation process was as follows: (1) an initial evaluation was performed to determine if proposals were unacceptable in accordance with NFS 1815.305.70, Identification of Unacceptable Proposals, (2) each Offeror was checked against the “List of Parties Excluded from Federal Procurement and Non-Procurement Programs”, and (3) proposals were reviewed for compliance with the solicitation instructions.

Technical acceptability was assessed with ratings of ‘acceptable,’ ‘potentially acceptable’ or ‘unacceptable.’ Pursuant to the RFP, for technical acceptability, Offerors were required to meet the following baseline requirements: technical approach, management approach, and safety and health requirements.

Each ‘acceptable’ and ‘potentially acceptable’ proposal was given a past performance confidence assessment rating based on the SLPT’s evaluation of available information regarding each Offeror’s recent and relevant past performance based on the RFP as stated in part below.

Recency: Contracts with more recent performance were considered to be more relevant than those with more distant performance, assuming all other considerations were equal. If the contract was still ongoing, it must have had a documented performance history. The Government did not consider performance on a newly awarded contract that had no documented performance history (in other words, projects that are less than six months under contract). Only contracts with performance within 3 years from date of the solicitation were considered recent.

Relevancy: Relevancy was based on the size, scope and complexity of the projects being evaluated for past performance. Contracts that exhibit scope similar to MPIC were considered most relevant. Relevancy was given an assessment of “Very Relevant,” “Relevant,” “Somewhat Relevant” or “Not Relevant.”

More recent and more relevant performance received greater consideration in the performance confidence assessment rating than less recent and less relevant performance.

The past performance evaluation assessed the degree of confidence the government had in the

Offeror's ability to fulfill the solicitation requirements for the contract while meeting technical, schedule and budget constraints. The past performance evaluation considered each Offeror's demonstrated record of performance in supplying the requirements of this solicitation that met the user's needs. The SLPT relied upon 1) past performance information from proposal data required by provisions of Section L.13.5; 2) information obtained by the SLPT team based on communications with listed references; 3) information independently obtained from other government and commercial sources, such as the NASA Past Performance Database and similar systems of other governmental departments and agencies, such as Defense Contract Management Agency (DCMA); 4) interviews with client program managers and contracting officers; and 5) any other sources known to the Government, including commercial sources. Offerors were to note that, in conducting this assessment, the Government reserved the right to use data and information provided by the Offeror and obtained from other sources. The Government considered the number and severity of any problems, the effectiveness of corrective actions taken and the overall record of past performance. It also considered the Offeror's record for technical performance, adherence to contract schedules, cost control and safety, health, and environmental performance. A performance confidence rating was assessed at the overall factor level for Past Performance after evaluating all aspects of an Offeror's recent and relevant past performance, inclusive of both organizational and key personnel performance. The following past performance level of confidence ratings were utilized: "Very High Level," "High Level," "Moderate Level," "Low Level," "Very Low Level," and "Neutral."

All technically acceptable and potentially acceptable proposals were further evaluated against cost and price. The Offeror's Cost/Price was evaluated for the validity, realism and adequacy of each cost proposal and the probable cost that will be incurred in the performance of this effort. The evaluation of cost included an assessment of the cost of doing business with each Offeror, predicted growth in proposed cost during the performance of the work, and the features of each Offeror's situation that affect proposed cost.

The Government performed price analysis and cost realism analysis of all proposed IDIQ (WBS 1.1) prices to include cost elements such as staffing levels, staffing mix, direct labor rates, indirect rates, Non-Labor Resources (NLRs), and fee, including fee rates. Price and cost analysis included the total proposed cost and fee for the Sample Task Order (STO) and the STO's projected costs over all contract years. The probable cost for the sum of all contract years was used for purposes of evaluation and selection.

The Government performed price analysis and cost realism analysis of all proposed IDIQ Fully Burdened Rates (FBRs for WBS 1.2, 1.6, 1.10 and 1.11), including the direct labor rate, indirect rates, and fee components. The probable cost for the sum of all contract years for all SOW WBS elements was used for purposes of evaluation and selection.

The proposed phase-in price was also presented to the SSA. However, if the phase-in price was determined to be reasonable and matched the phase-in price proposed in Section B.4 of the Model Contract, it was not used as a basis to differentiate one Offeror's total price from that of others.

Evaluation of Initial Proposals

Two Offerors submitted proposals in response to the RFP. The firms that submitted proposals are (in alphabetical order): (1) ARES Technical Services Corporation (ATS) and (2) Barrios Technology Ltd. (Barrios).

Neither of the Offerors took exception to the RFP requirements. Both proposals were evaluated in accordance with the RFP as well as the Federal Acquisition Regulation (FAR) Part 15 and NASA FAR Supplement Part 1815. At the conclusion of the initial evaluation, the SLPT determined technical acceptability as follows: the proposal submitted by ATS was rated 'potentially acceptable', and the proposal submitted by Barrios was rated 'acceptable.' The SLPT then evaluated past performance and cost/price of these two proposals.

Discussions and Evaluation of Final Proposal Revisions

Discussions were conducted in two phases. Phase One was a written response to Cost/Price clarifications, Technical proposal items, and Past Performance feedback identified from the initial evaluation. Phase Two was a series of oral discussions. ATS and Barrios were informed of their inclusion in the competitive range by letters dated October 31, 2012. Each letter identified information required by the Government; specified a schedule for submission of written responses; and established a time, location and agenda for oral discussions. Written responses were received and evaluated prior to oral discussions. Arrangements for oral discussions were confirmed with each Offeror by e-mail and telephone. Discussions were held and follow-up questions to the written responses received were provided to each Offeror. Additional written responses were received and evaluated. A telecom was then held with each Offeror to identify any remaining issues prior to closing discussions. Following the telecoms, additional written responses were provided as requested. Oral discussions were concluded on December 5, 2012. At the conclusion of oral discussions, each Offeror was given an opportunity to submit a Final Proposal Revision (FPR) and a signed Model Contract, reflecting the Offeror's intent to be contractually bound.

Following review and evaluation of each Offeror's FPR, the SLPT determined technical acceptability for both Offerors to be rated as 'acceptable.' The SLPT then evaluated past performance and cost/price of these two FPRs.

Individual Past Performance

The SLPT evaluated all reference contracts provided for ATS and all reference contracts provided for its major subcontractor, MEI Technology. All reference contracts were found to be recent. As a newly-formed company, ATS proposed to rely on the past performance of its parent and certain affiliated companies. The SLPT determined that the Offeror's proposal and FPR adequately demonstrated meaningful involvement of resources of the cited parent and affiliated companies such that the past performance reference contracts provided could be considered. ATS' reference contracts were assessed as 'relevant' to their proposed role in MPIC. The SLPT characterized the organizational performance on the reference contracts as "exceptional." The magnitude (size and scope) of the effort for work performed in several of the reference contracts

did not address all the scope of the work to be performed by ATS in their proposed role for MPIC. One of the reference contracts did not address the complete scope of Program Management (WBS 1.1) responsibilities; a second reference contract did not address Communication and Education Outreach (WBS 1.11) ; and a third reference contract did not address Vehicle Integration (WBS 1.2) work. Therefore, the magnitude of effort performed by ATS in these reference contracts was found to be much the same as the work that ATS will perform for the MPIC contract in their lead role. Additionally, the SLPT found the complexity of the work performed in the reference contracts to be less than that required of MPIC for Program Management Elements, Office Integration (WBS 1.1.1A) and Integrated Analysis (WBS 1.1.2.2G). Since the magnitude of effort and the complexity of work performed was not fully the same as required by MPIC, an overall ATS relevancy rating of ‘relevant’ was assigned.

The SLPT also considered the past performance of ATS’s major subcontractor, MEI Technology. MEI Technology’s reference contracts were assessed as ‘very relevant’ to their role for SE&I Spacecraft Development (WBS 1.6). MEI Technology’s organizational performance on the reference contracts was characterized by the SLPT as “exceptional.” Additionally, since both the magnitude of the effort and the complexity of work performed in recent contracts for SE&I Spacecraft Development (WBS 1.6) work were comparable to the work which MEI Technology had been proposed to perform, an overall MEI Technology relevancy rating of ‘very relevant’ was assigned.

The past performance of key personnel for ATS and MEI Technology was evaluated as ‘significantly exceeds’ or ‘exceeds’ expectations. Organizational and key personnel evaluations were verified by interviews with CO, COTR and informed individuals with knowledge of the contract. Environmental and Safety performance was assessed as ‘better than industry average’ for both and were verified by reviewing OSHA website and logs, and insurance underwriter letters.

The SLPT reviewed all of this past performance information and assigned an overall past performance confidence rating of ‘High Level of Confidence’ to the ATS Team.

The SLPT evaluated all of the reference contracts provided for Barrios Technology and all reference contracts provided for its major subcontractors, Booz Allen Hamilton (BAH) and SAIC. All reference contracts were found to be recent.

Barrios’ reference contracts were assessed as ‘relevant’ to their proposed role in MPIC. Barrios’ organizational performance on the reference contracts was characterized by the SLPT as “exceptional.” The magnitude (size and scope) of the effort for work performed was found to be the same as that required of Barrios’ proposed role in MPIC. However, the complexity of the work performed by Barrios in their reference contracts was not fully the same as that required by the solicitation’s SOW requirements in the area of Program Office Integration (WBS 1.1.1A), and was assessed to be much the same as work Barrios will perform for the MPIC contract in their proposed role. For these reasons, an overall Barrios relevancy rating of ‘relevant’ was assigned by the SLPT.

The SLPT also considered the past performance of Barrios' major subcontractor, BAH. BAH's reference contracts were assessed as 'relevant' to their proposed role in MPIC and their organizational performance was characterized by the SLPT as "exceptional" for their reference contracts. The magnitude of the effort in BAH's reference contracts was found to be much the same as that required of BAH's proposed role in performing the solicitation's SOW requirements, as evidence was not provided of past performance in the WBS elements 1.6 and 1.10 for one reference contract. Additionally, the complexity of the work performed by BAH in their reference contracts was not fully the same as that required by the solicitation's SOW requirements in the area of Program Office Integration (WBS 1.1.1A) and Integrated Analysis (WBS 1.1.2.2G) and was therefore assessed to be much the same as the work BAH will perform for the MPIC solicitation's SOW requirements in their proposed role. For these reasons, an overall BAH relevancy rating of 'relevant' was assigned by the SLPT.

The SLPT also considered the past performance of Barrios' other major subcontractor, SAIC. SAIC's reference contracts were assessed as 'relevant' to their proposed role in MPIC and their performance was characterized by the SLPT as "exceptional" for their reference contracts. The magnitude of the effort in SAIC's reference contracts was found to be much the same as that required for SAIC's proposed role in performing the solicitations SOW requirements, as evidence was not provided of past performance in the WBS element 1.11 for both reference contracts. Additionally, the complexity of the work performed by SAIC in their reference contracts was not fully the same as that required by the solicitation's SOW requirements in the area of Program Office Integration (WBS 1.1.1A) and Integrated Analysis (WBS 1.1.2.2G) and was therefore assessed to be much the same as the work SAIC will perform for the MPIC solicitation's SOW requirements in their proposed role. For these reasons, an overall SAIC relevancy rating of 'relevant' was assigned by the SLPT.

The past performance information reviewed for purposes of evaluating organizational performance for all three Corporations represented a rating of 'exceptional.' Key personnel were evaluated as either 'significantly exceeding' or 'exceeding' expectations. Organizational and key personnel evaluations were verified by interview with CO, COTR and interested persons. Environmental and Safety performance for all three was assessed as 'better than industry average' and verified by reviewing OSHA website and logs, and insurance underwriter letters.

The SLPT reviewed all of this past performance information and assigned an overall past performance confidence rating of 'High Level of Confidence' to the Barrios Team.

Cost/Price

The SLPT received information from the Defense Contract Management Agency (DCMA) that both Offerors' accounting systems were determined to be adequate.

The cost proposals were evaluated consistent with the evaluation criteria in Section M of the RFP. A cost realism analysis was performed for each proposal resulting in a probable cost. The SLPT determined a probable cost for each Offeror by adjusting each Offeror's proposed cost when appropriate, to reflect any additions or reductions in cost elements to realistic levels based on the Offeror's selected approach and the results of the cost realism analysis. All elements of

cost not adjusted were determined to be realistic for the Offeror's selected approach. The probable cost for the sum of all contract years was used for purposes of evaluation and selection.

The Government's final probable cost and price for ATS was \$27.9M. Adjustments were made to ATS's proposed cost to account for an upward adjustment in the direct labor rates associated with work to be performed by ATS and MEI based on incorrect incumbency assumptions.

The final probable cost and price for Barrios was \$32.8M.

Source Selection Decision

My decision is based on selecting the proposal offering the best value in accordance with the RFP's stated criteria for award. I reviewed the SLPT evaluation and posed a variety of questions. I requested additional time to reflect on the information presented by the SLPT. I reconvened members of the SLPT and several other officials of the Johnson Space Center on January 11, 2013, solicited their views and expressed my own, and made my selection.

After considering the SLPT's answers to my questions in the context of the RFP's stated criteria, I took no exception to the SLPT's findings, and adopted its final evaluation.

I agreed with the SLPT that each Offeror provided a technical approach, a management approach and a Safety & Health Plan that is at a level of completeness, feasibility and reasonableness, where associated risks do not jeopardize an acceptable level of contract performance. Therefore, I also agreed with the SLPT that both Offerors overall Technical Acceptability Rating was "Acceptable."

In assessing the relative value of the past performance findings for all proposals, I performed an evaluation of the past performance level of confidence ratings and their relative benefit to the Government.

Taking into consideration all of the information provided to me by the SLPT in and applying the RFP's stated past performance evaluation criteria, I determined an overall past performance confidence rating of 'High Level of Confidence' for the ATS Team. I accepted the SLPT's findings that all reference contracts are recent and the past performance of the ATS Team is relevant to the solicitation's SOW requirements. I further concurred that the organizational past performance is 'exceptional;' key personnel past performance 'significantly exceeds or exceeds expectations;' and the ATS Team's level of safety and environmental past performance demonstrates adequate loss prevention and a commitment to safety.

Taking into consideration all of the information provided to me by the SLPT and in accordance with the RFP's stated criteria, I determined an overall past performance confidence rating of 'High Level of Confidence' for the Barrios Team. I accepted the SLPT's findings that all reference contracts were found to be recent and the past performance of the Barrios Team is relevant to the solicitation's SOW requirements. I further concurred that the organizational past performance is 'exceptional;' key personnel past performance significantly exceeds or exceeds

expectations;’ and the Barrios Team’s level of safety and environmental past performance demonstrates adequate loss prevention and a commitment to safety.

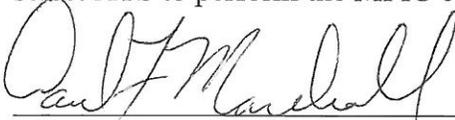
Considering the entirety of the information provided by both Offerors, in addition to my independent knowledge and the SLPT’s findings, I note my complete confidence that both Offerors could perform the work required by the solicitation’s SOW. However, I also took into consideration that the proposed contract requires a level of integration that is unique from predecessor Programs and their contracts, and that the solicitation’s SOW contains explicit requirements for both Program Office integration and performance management integrated analysis, both within the Program Management section of the RFP (WBS 1.1). Neither Offeror’s past performance in this area matched the intended level of integrated performance analysis that is stated in the solicitation’s SOW. Therefore, I agree with the SLPT’s past performance confidence rating of “High” for both Offerors. I note further that both Offerors have the history and maturity of experience that gives me complete confidence that either Offeror would grow into this role to do this higher level of complexity of work in a reasonable amount of time after contract start. To this end, I do not find distinct qualitative differences or discriminators that would result in my rating one Offeror materially higher in past performance than the other.

With regard to cost and price, the probable cost for the sum of all contract years was used for purposes of evaluation and selection. I noted that the Government’s final probable cost and price for ATS was notably less than the Government’s final proposed cost and price for Barrios. The Government’s final probable cost and price for ATS was \$27.9M. The Government’s final probable cost and price for Barrios was \$32.8M. I asked many questions regarding the adjustments that were made during discussions that resulted in the Government’s final probable costs. I recognized that ATS’s advantage in proposed cost and price was based in part on skill mix differences and on a generally lower overhead cost structure, resulting in lower overall fully burdened labor costs than Barrios.

Final Decision

In making my decision, I found that the absence of material discriminators in past performance made the difference in cost/price the key discriminator in my selection decision. I found that ATS offers the lower probable cost and price and therefore offers the best value to the Government. As a result of this assessment, I select ATS for the Multi-Purpose Crew Vehicle Program Integration Contract.

The Contracting Officer has determined that ATS is eligible in accordance with FAR 9.104. Therefore, in accordance with the RFP statement that the Government will award to the Offeror whose proposal offers the best overall value to the Government that meets all solicitation requirements, I find the proposal submitted by ATS is the best value to the Government and select ATS to perform the MPIC contract.



Paul F. Marshall
Source Selection Authority

28 Jan 2013
Date