

**SOURCE SELECTION STATEMENT FOR THE
CUSTODIAL SUPPORT SERVICES CONTRACT
LYNDON B. JOHNSON SPACE CENTER**

On June 6, 2012, I met, as the Source Selection Authority (SSA), with the members of the Streamlined Procurement Team (SLPT) appointed to evaluate proposals for the Custodial Support Services Contract (CSSC), solicitation NNJ11373245R. Also in attendance were several other officials of the Johnson Space Center (JSC).

The CSSC is a firm-fixed-price contract for basic services with an Indefinite Delivery/Indefinite Quantity (IDIQ) task order component for possible additional work. The base period of performance for this contract is two months from August 1, 2012 through September 30, 2012. There are four one-year options and a thirty-nine day phase-in period. The guaranteed minimum value for IDIQ task orders is \$10,000 and the maximum is \$500,000. This procurement is a competitive HUBZone small business set-aside and is a follow-on contract to the Custodial Services Contract.

The scope of the CSSC effort includes the following: custodial and pest control services at JSC, Ellington Field (EF), and the Sonny Carter Training Facility (SCTF) in Houston, Texas. The Custodial Support Services Contract is a single contract serving all three work sites and consists of basic, regularly scheduled services including: drinking fountain and wash station cleaning; mirror and glass cleaning; elevator cleaning; dusting/cleaning entrances, hallways, and carpeted areas; cleaning and servicing restrooms, medical offices, and laboratories; machine scrubbing restroom floors; cleaning inside stairs, stairwells, ramps, and landings; cleaning inside/outside entrance area floors; hard floor cleaning; vacuuming carpet and rugs; spray buffing in hallways; dusting/cleaning; cleaning exterior glass surfaces/window frames and interior windows/window area/Venetian blinds; recycling program; solid waste removal; stripping, sealing and waxing/finishing hard floors; steam cleaning carpet/rugs; pest control; emergency services and special events.

Background

JSC issued a Request for Information/Sources Sought Synopsis on February 25, 2011, to establish small business goals. Industry Day with a site visit was held on April 19, 2011. Industry Day One-on-One meetings with interested offerors were held April 20, 2011. Industry Day Questions and Answers were posted on fedbizopps.gov on May 18, 2011. JSC issued a pre-solicitation synopsis on June 10, 2011 and posted the current Custodial Services Contract Statement of Work (SOW) on June 27, 2011. On August 5, 2011, the contracting officer (CO) issued solicitation NNJ11373245R with a proposal receipt date of September 09, 2011. A pre-proposal conference was held on August 25, 2011. Amendment 1 dated September 2, 2011 changed the proposal receipt due date to September 16, 2011, and contained Questions and Answers #1-46 concerning the solicitation. Amendment 2 dated September 13, 2011 posted Questions and Answers #47-68 concerning the solicitation. Amendment 3 dated December 12, 2011 revised the base period of performance and phase-in period.

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) The offerors were checked against the "List of Parties Excluded

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from Federal Procurement and Non-Procurement Programs," and proposals were reviewed for compliance with the solicitation instructions. 3) All remaining proposals were evaluated against the factors listed in the solicitation.

The solicitation, Section M.4, Combination of Technically Acceptable and Trade-off between Past Performance and Price, states in part, that "ALL Technical Acceptability sub-factors must be passed to be considered technically acceptable. A proposal is rated "Potentially Acceptable" when after the initial evaluation, the proposal does not have an Unacceptable rating for any of the Technical Acceptability sub-factors and the Government anticipates the provision of additional information during discussions may result in a proposal rating of "Acceptable".

The solicitation stated that for each proposal determined to be technically acceptable under the criteria stated in the solicitation, a trade-off will be made between Past Performance and price. The Government will award to the offeror whose proposal meets all solicitation requirements, whose proposal offers the best overall value to the Government, and is determined responsible in accordance with FAR 9.104, Standards.

Evaluation Procedures

The SLPT reviewed and evaluated the proposals in accordance with the process and the evaluation criteria stated in the RFP. The general outline of the process was as follows:

- a) The SLPT performed an initial review of each proposal to determine if it was "Unacceptable" (as that term is used in NFS 1815.305-70, Identification of Unacceptable Proposals); each offeror was also initially checked against the "List of Parties Excluded from Federal Procurement and Non-Procurement Programs;" and each proposal was reviewed for compliance with the solicitation instructions.
- b) The SLPT then evaluated each remaining proposal against the evaluation factors stated in the RFP. The evaluation factors were technical acceptability, past performance and price. Section M.8 of the RFP stated the trade-off process among the proposals found to be technically acceptable and in the competitive range: "For those Offerors who are determined to be technically acceptable, tradeoffs will be made between Past Performance and price. Past Performance is more important than price."

The SLPT first evaluated each proposal across the Technical Acceptability Sub-Factors on a pass/fail basis, as either Acceptable (A), Potentially Acceptable (PA), or Unacceptable (U). Pursuant to the RFP, for a proposal to be evaluated as technically acceptable, it was required to meet all baseline technical requirements: management approach; labor relations and total compensation; phase-in plan; and safety and health plan. Any proposal rated "Unacceptable" (as that term was used in the RFP) in any sub-factor was eliminated from further consideration.

Each proposal not eliminated from consideration was then assessed a performance confidence rating based on the SLPT's evaluation of available information regarding that offeror's relevant past performance on recent projects. The SLPT relied upon narratives provided by the offerors;

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questionnaires submitted by each offeror's customers; interviews with offeror's references, recent projects' contracting officers and contracting officer technical representatives; information contained in the Past Performance Information Retrieval System (PPIRS); the Federal Awardee Performance and Integrity Information System (FAPIS); the Contractor Performance Assessment and Reporting System (CPARS); and other data available to the Government. In accordance with the RFP, the SLPT assigned one of the following adjective level of confidence ratings as the proposal's past performance rating: Very High [1], High [2], Moderate [3], Low [4], Very Low [5], and Neutral [6].

The SLPT next used price analysis, in this case based on adequate price competition per FAR 15.403-1, to determine if the price of each remaining proposal was fair and reasonable.

Evaluation of Initial Proposals

Eight offerors submitted timely proposals in response to the solicitation. The offerors are as follows, listed in alphabetical order: 1) ADVACS; 2) GAM Enterprises, Incorporated (GAM); 3) Implemetrics, Incorporated (Implemetrics); 4) JDD, Incorporated (JDD); 5) Native Resource Development Company, Incorporated (NRDC); 6) NSR Solutions, Incorporated (NSR); 7) R&R Janitorial, Painting and Building Services (R&R); and 8) Teltara Ndee Tribal Enterprises LLC (Teltara). The SLPT determined that the proposal of ADVACS was "Unacceptable" within the meaning of NFS 1815.305-70(a), and did not consider the proposal further. The remaining proposals were evaluated in accordance with the solicitation and also FAR Part 15 and NASA FAR Supplement (NFS) Part 1815.

At the conclusion of the initial evaluation, the SLPT determined that five of the remaining seven proposals were technically unacceptable under the technical acceptability criteria stated in the RFP. The SLPT determined the proposals submitted by Implemetrics, JDD, NSR, R&R and Teltara were technically unacceptable, could no longer be considered for award, and thus must be removed from the source selection competition. Each firm was notified in writing pursuant to FAR 15.503, Notifications to Unsuccessful Offerors. NSR and Teltara requested pre-award debriefings. NSR received a pre-award debriefing. Teltara did not receive their pre-award debriefing as they were unresponsive after multiple attempts by the Contracting Officer to schedule the requested debriefing. Implemetrics requested a post-award debriefing. NSR protested its removal from further consideration to the Government Accountability Office (GAO) on January 17, 2012, and the GAO denied the protest on April 18, 2012.

The SLPT further determined the proposals submitted by NRDC and GAM were each Potentially Acceptable. In accordance with Section M.4, Combination of Technically Acceptable and Trade-off Between Past Performance and Price, all Technically Acceptable and Potentially Acceptable offerors were evaluated against Past Performance and price criteria.

There was adequate price competition to enable the SLPT to determine that the remaining two price proposals were reasonable.

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The Past Performance confidence for each of the remaining two offerors was assessed at an overall factor level after evaluating aspects of the remaining offerors' recent Past Performance that were relevant to the RFP effort.

Discussions and Evaluation of Final Proposal Revisions

The CSSC Contracting Officer (CO) contacted NRDC and GAM via letter dated December 12, 2011, to inform them that their proposals were determined to be Potentially Acceptable and in the competitive range for the solicitation. The CO's letter also informed the two offerors that discussions would be necessary regarding information in their proposals that 1) kept them from being evaluated as fully Acceptable under the technical acceptability evaluation criteria, and, if required, (2) related to Past Performance and price. Specific questions were sent to each offeror to meet the SLPT's need for additional information. For NRDC, this consisted of questions relevant to Technical Sub-factor A, Management Approach, and Technical Sub-factor B, Labor Relations and Total Compensation, both of which the SLPT had rated Potentially Acceptable. The SLPT also questioned the development of the price. For GAM, the questions related to their Potentially Acceptable Sub-factor B, Labor Relations and Total Compensation, as well as to the Past Performance of the proposed Project Manager and the development of the price. Oral discussions were held by telephone between the SLPT and NRDC, and the SLPT and GAM. The oral discussions were successful in obtaining the additional information and the clarity the SLPT required to resolve its open questions.

The CO formally closed discussions and issued letters to both offerors April 20, 2012, inviting them to submit revised change pages adding the discussion results to their proposals in a Final Proposal Revision (FPR), and a revised, signed Model Contract reflecting the offerors' intent to be contractually bound, with any desired price changes included. After evaluating each offeror's FPR, the Technical Acceptability evaluation for both companies was changed to Acceptable. Each offeror made the same simple error in computing their pricing in Section B.2, NFS 1852.216-78, FIRM FIXED PRICE (DEC 1988) which was determined to be a frequent mistake on contracts. In both cases, the mistake was a misinterpretation that the firm fixed price was the sum of all services across all years versus the price for the services required in only the base year and phase-in. The CO requested each offeror to acknowledge a clarification of the price mistake on the single page in Section B.2, reflecting a simple clarification due to "informalities and minor irregularities". Additionally, the CO required each offeror to return the corrected page. Both offerors quickly replied with corrected data and the SLPT began its selection evaluation process.

Individual Past Performance

The SLPT evaluated the past performance of the two remaining Offerors, NRDC and GAM. Both Prime Offerors are HUBZone small businesses, and neither had extensive relevant experience with large government contracts such as CSSC. NRDC itself had relevant experience on only one [REDACTED] contract, and GAM provided no relevant past performance experience of its own at all. Each company is teamed with a Major Sub-

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contractor with recent and relevant Past Performance, and each offeror proposed a Project Manager with recent and relevant experience.

NRDC's sub-contractor CMTI had Very Relevant experience with a long term and comparably priced contract (JBOSC) at Kennedy Space Center in Florida with an overall rating of Excellent; Relevant experience with another KSC contract (CAPPS) with an overall rating of Excellent; as well as Somewhat Relevant past performance as a sub-contractor performing Integrated Pest Management for an Air Force Base in Florida with an overall rating of Very Good. Integrated Pest Management is the method of pest control required by the CSSC Statement of Work and having a company with that management Past Performance is beneficial to JSC. NRDC proposed the CMTI Project Manager on the JBOSC and CAPPS contracts to be the CSSC Project Manager. The Project Manager has Relevant Past Performance experience from those contracts, with an overall rating of Excellent from the individuals interviewed.

GAM's sub-contractor Zero Waste Solutions, Inc., (ZWS), had Past Performance experience across three Relevant contracts, one of which is comparable in price to the CSSC solicitation. ZWS's experience is with an Air Force Base in Mississippi with an overall rating of Excellent; a Federal office building and courthouse in California with an overall rating of Satisfactory; and their largest relevant contract, with the Federal Law Enforcement Center in Georgia with an overall rating of Satisfactory. GAM's proposed Project Manager for the CSSC contract has Very Relevant experience on the existing JSC Custodial Contract, with an Excellent Technical rating but an Unsatisfactory Management rating. The SLPT requested GAM to clarify, explain or mitigate this apparently adverse past performance rating in discussions. The response provided by GAM was somewhat pertinent, but the information was not sufficient to mitigate the adverse rating contributing to their Past Performance Confidence rating.

The SLPT determined NRDC's Past Performance provided a HIGH overall confidence rating that the Offeror would successfully perform the required effort. GAM's Past Performance provided a LOW overall confidence rating that the Offeror would successfully perform the required effort.

Price

The initial price proposals of the offerors were evaluated by the SLPT consistent with the evaluation criteria in Section M of the solicitation. NRDC's initial price was \$21.96M and GAM's initial price was [REDACTED]. During the course of evaluation of the price offers, the current JSC Custodial Contractor negotiated a new Collective Bargaining Agreement (CBA) with the Labor Union representing their service worker employees. The changes to the CBA included adding an additional Holiday for the union-represented employees, a 3% wage increase for the next three years, the reduction of the employees full time work day from 8 hours to 7 hours, with overtime rates being required after a 7 hour work day, (not a 40 hour

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work week). This agreement was signed and took effect during a period of a pre-award protest by an offeror determined Technically Unacceptable. Discussions were still open with the two competitive range offerors, so the SLPT was able to inform them of the new CBA and permit the offerors to incorporate the impact of the CBA changes on their Final Proposal Revisions (FPR). Including all the changes made for all items covered in the discussions, including the CBA impact, the FPR prices returned by the offerors were a slight price increase by NRDC to \$22.30M, and a significant price increase by GAM to [REDACTED]. The Independent Government Estimate (IGE) for this solicitation was much more in line with NRDC's proposed price than with GAM's proposed price.

The SLPT determined that NRDC's final price of \$22.30M created a moderate risk of quality or service shortfall relative to price, due to their low General & Administrative (G&A) cost. GAM's final price of [REDACTED] created a very low risk of quality or service shortfall relative to price, due to their very high overhead cost calculation.

Source Selection Decision

With respect to the CSSC, my decision was based upon selecting the proposal offering the best overall value to the Government consistent with the solicitation requirements and evaluation criteria. I reviewed the SLPT's evaluation and posed questions at every formal step along the path. I pressed the SLPT on the facts they found, and asked them to refine or clarify several points. After considering the SLPT's answers to my questions, I took no exceptions to their answers and adopted the team's evaluation.

In assessing the relative value of the contract Past Performance ratings for the two competitive range offerors, I evaluated the Past Performance level of confidence ratings and placed a higher relative weight to a High rating in comparison to a Low rating. This included the experience of the proposed Project Managers for each offeror, as this experience was considered in the Past Performance evaluations, and not in the Management Approach section of the solicitation.

I agree with the High Past Performance level of confidence rating the SLPT assigned to NRDC's proposal, considering not only the Prime contractor and Major sub-contractor, but also the proposed Project Manager. The uniformly Excellent (10) and Very Good (6) responses concerning all elements of the contract work performed by NRDC and CMTI on recent and Relevant to Very Relevant contracts does, in fact, yield a High level of confidence that JSC's CSSC would benefit from. NRDC and CMTI also bring to JSC a past performance history of safe work habits with neither company showing any Occupational Safety and Health Administration (OSHA) or Environmental Protection Agency (EPA) violations over the past three years. GAM and its major subcontractor, ZWS, also indicate an ability to perform well in the area of safety and health and had no reported OSHA/EPA violations. This is important to me, as JSC's safety culture is an integral part of all activities performed at JSC.

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I agree with the Low Past Performance level of confidence rating the SLPT assigned to GAM's proposal. The Prime contractor does not have any relevant experience in custodial services other than cleaning carpet as a sub-contractor to another company, and the largest job cited is under \$500K. The Major Sub-contractor (ZWS) has performed mostly Satisfactory work, with some Excellent ratings, in its Relevant Government contracting experience, including a large (\$22.5M), multi-year effort for the Federal Law Enforcement Training Center. Of the four elements comprising the Range of Performance for this large contract (Technical, Schedule, Cost and Management) ZWS received a Good rating for Technical, and Satisfactory ratings on all three other elements. This rating, combined with the proposed Project Manager's Past Performance ratings of Excellent for Technical and Unsatisfactory for Management, convinced me that the Low Past Performance level of confidence rating assigned by the SLPT to this offeror is appropriate. GAM attempted to explain or mitigate the Project Manager's Unsatisfactory Management rating by stating the management practices that created the situation pre-dated the Project Manager's arrival at JSC. GAM's submittal failed to address why the unsatisfactory management situation continued during his tenure.

Regarding the price of the offerors' proposals, NRDC's price was very near the Government's IGE price and GAM's price was significantly higher. Each company's final proposal revision benefited from access to updated CBA wage and fringe benefit costs, as it afforded each company the opportunity to factor that CBA into its price proposal. GAM's significantly higher price, with a very high proposed overhead rate, did indeed put GAM in a very conservative position to meet increasing contract expenses, but it also meant that GAM's proposed price significantly exceeded both the IGE and NRDC's proposed price.

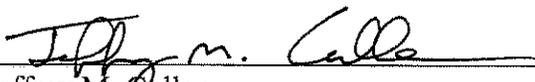
Final Decision

In determining my source selection decision for this solicitation, I followed the process and criteria stated in the RFP, and then evaluated the competitive range offerors in light of those criteria. Although both companies' initial proposals were found to be Potentially Acceptable, their ratings after discussions with the SLPT improved to Acceptable. With both proposals rated as Acceptable, I then considered each offeror's Final Proposal Revision in making the trade-off between Past Performance and Price, recalling that Past Performance was more important than Price. NRDC's proposal was rated superior to GAM's proposal in both Past Performance and Price. NRDC and their Major Sub-contractor demonstrated superior Past Performance that was recent, relevant and managed by their proposed Project Manager for JSC's CSSC. The combination of superior corporate and Project Manager past performance was the discriminator in my selection. In summary, NRDC offers the higher level of past performance confidence and the lower price for this solicitation.

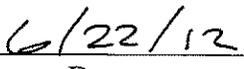
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GAM/ZWS's past performance was not as highly rated as NRDC/CMTI's when initially evaluated because neither the Prime nor Major Sub-contractor had very many recent and relevant contracts, and the range of past performance ratings were markedly lower than NRDC/CMTI's ratings. GAM's initial price was somewhat higher than both NRDC and the IGE, and its disadvantage in price increased significantly when the revised FPR was evaluated, after the company was informed of and apparently factored in the new CBA. GAM offers a Low past performance level of confidence rating, and a very high price. Accordingly, this offer does not represent the best value to the Government.

The Contracting Officer has determined that NRDC is responsible in accordance with FAR 9.104. Therefore, in accordance with the RFP, which states the Government will award to the offeror whose proposal offers the best overall value to the Government and meets all solicitation requirements and is determined responsible in accordance with FAR 9.104, I find the proposal submitted by Native Resource Development Company, Inc., is the best value to the Government and select NRDC to perform the CSSC.



Jeffrey M. Cullen
Source Selection Authority



Date