

**Source Selection Statement for the
JSC Environmental Services (JES) Contract
National Aeronautics and Space Administration
Lyndon B. Johnson Space Center
(Solicitation Number NNJ12443042R)**

On April 8, 2013, along with other officials of the NASA Johnson Space Center, I met with members of the Streamlined Procurement Team (SLPT) appointed to evaluate the proposals for the JSC Environmental Services (JES) contract, Solicitation NNJ12443042R. The presentation charts represent the final source selection evaluation report and are incorporated herein by reference.

I. Background and Contract Requirements

The JSC Environmental Services procurement is a cost-reimbursable contract with a cost-plus-incentive-fee base portion and cost-plus-fixed-fee Indefinite-Delivery, Indefinite- Quantity (IDIQ) task orders and a firm fixed-price phase-in period. The performance period of the contract is five-years, with a 13-month base period, a 24-month option period, and a 23-month option period. The amount of IDIQ task orders awarded under the contract shall not exceed \$4.0M for the five year period of performance.

The purpose of the JES solicitation is to procure environmental support services to assist the JSC Environmental Office in implementing and maintaining regulatory and agency requirements within all JSC's activities.

A Sources Sought Synopsis was issued on May 1, 2012, followed by an Industry Day Synopsis on June 25, 2012. A Virtual Industry Day was held on July 10, 2012, followed by release of the Pre-Solicitation Synopsis and draft Statement of Work (SOW) on August 20, 2012. The following modifications to the Pre-Solicitation Synopsis were issued:

Modification 1 was issued August 29, 2012 and posted the Draft Data Requirements Documents (DRD's). Modification 2 was issued September 21, 2012 and posted Pre-Proposal Conference Registration information. Modification 3 was issued September 24, 2012 and posted questions on the Draft SOW from potential offerors and NASA's responses. Modification 4 was issued October 2, 2012 and posted the schedule for the upcoming JES Cost and Pricing WebEx. Modification 5 was issued October 15, 2012 and posted an updated Interested Parties List. Modification 6 was issued October 30, 2012 and posted the Pre-Proposal Conference Charts. Modification 7 was issued October 31, 2012 and posted the Pre-Proposal Conference Cost Charts. Modification 8 was issued November 13, 2012 and posted an updated Interested Parties List.

II. Evaluation Process and Criteria

A Request for Proposal (RFP) was released on October 23, 2012, and the team conducted a pre-proposal conference with a site tour of JSC and Ellington Field on October 29, 2012. Two amendments to the RFP were issued. Amendment 1 was issued October 31, 2012 and posted questions from potential offerors and NASA's responses. Amendment 2 was issued on November 16, 2012 and posted questions from potential offerors and NASA's responses, extended the proposal due date from November 29, 2012 to December 6, 2012 due to Hurricane Sandy, and made changes to the RFP in Section L to revise the page count limits and clarify the required number of Past Performance references.

The Offerors were notified that the Government intended to evaluate proposals and award a contract without discussions with offerors (except for clarifications as described in FAR 15.306(a)). Therefore, the offeror's initial proposal should contain the offeror's best terms from a cost/price and technical standpoint.

The procurement was conducted as a competitive Total Small Business Administration set-aside in accordance with Federal Acquisition Regulation (FAR) Part 15, NASA FAR Supplement Part 1815, the Johnson Space Center Procurement Advisory Notice 10-02 Streamlined Acquisition Guide, and the RFP. The RFP divided the proposals into the following five volumes, all due on December 6, 2012: Volume I, Technical Acceptability; Volume II, Past Performance; Volume III, Cost/Price Proposal; Volume IV, Other Proposal Requirements; Volume V, Model Contract. Timely proposals were received from the following companies:

AGEISS, Inc. (AGEISS)
1202 Bergen Parkway, Suite 310
Evergreen, CO 80439

Engineering and Environment, Inc. (EEI)
195 South Rosemont Road, Suite 118
Virginia Beach, VA 23452

MEC^x, LP (MEC^x)
3203 Audley St.
Houston, TX 77098

Paragon Business Solutions, Inc. (Paragon)
610 North Olive Street
Rolla, MO 65401

Somat Environmental Strategies, LLC (SES)
660 Woodward Avenue, Suite 2430
Detroit, MI 48226

Straughan Environmental, Inc. (Straughan)
10245 Old Columbia Road
Columbia, MD 21046

An initial review of proposals was conducted to determine acceptability of the proposals in accordance with NFS 1815.305-70, "Identification of Unacceptable Proposals." As stated in the RFP, unacceptable proposals would be eliminated from further evaluation. None of the six proposals received were eliminated. One proposal had pages from the Volume I, Technical Acceptability, returned by the Contracting Officer because they were in excess of the page limitations set in the RFP. These pages were not evaluated by the Government.

The RFP included three evaluation factors: Technical Acceptability, Past Performance, and Cost/Price. Proposals were evaluated first for Technical Acceptability, which was rated as either "Acceptable," "Potentially Acceptable," or "Unacceptable." Technical Acceptability had three subfactors: (1) Management Approach, (2) Phase-In Plan, and (3) Technical Approach. The evaluation ratings were defined as:

"Acceptable" Rating - A proposal will be rated "Acceptable" under the Technical Acceptability Factor, where ALL subfactors are individually rated acceptable based on the level of completeness, feasibility, and reasonableness such that associated risks do not jeopardize an acceptable level of contract performance.

"Unacceptable" Rating - A proposal will be rated "Unacceptable" under the Technical Acceptability Factor where ANY subfactor is individually rated unacceptable based on the level of completeness, feasibility, and reasonableness such that associated risks do jeopardize an acceptable level of contract performance.

"Potentially Acceptable" Rating - A proposal will be rated "Potentially Acceptable" under the Technical Acceptability Factor, when after the initial evaluation, the proposal does not fully meet the definition for an "Acceptable" or "Unacceptable" rating and the Government anticipates that additional information obtained during discussions could result in a proposal rating of "Acceptable".

All proposals evaluated as "Acceptable" or "Potentially Acceptable" against the Technical Acceptability Factor were evaluated against the Past Performance and Cost/Price evaluation factors.

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 schedule, budget, and performance quality constraints. The past performance evaluation considered each Offeror's demonstrated record of performance in supplying the requirements of this solicitation that meet the user's needs. The Offeror's past performance record was examined for recent and relevant past performance to determine its ability to perform the required work.

More recent and more relevant performance received greater consideration in the performance confidence assessment than less recent and less relevant performance. Relevancy was based on

the size, scope and complexity of the projects being evaluated for past performance. The following elements were evaluated in descending order of importance:

1. Contract past performance that exhibits all or most of the specific types of work contained in the SOW will be considered more relevant than contracts with limited types of work only.
2. The past performance of a prime or subcontractor will be considered more relevant than the key personnel (Program Manager) past performance of similar recency and relevancy.
3. For contract past performance, onsite environmental program management experience will be considered more relevant than support provided from off-site or of an intermittent nature of similar recency and relevancy.
4. For key personnel (Program Manager), experience managing a Government environmental program will be considered more relevant than commercial, industrial or other non-Government experience of similar recency and relevancy.

A performance confidence rating was assessed at the overall factor level for Past Performance after evaluating aspects of the Offeror's recent and relevant past performance. The SLPT used the following definitions to assess the overall level of confidence in the Offeror's ability to fulfill the solicitation requirements for the contract while meeting schedule, budget, and performance quality constraints:

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)].

A price analysis and a cost analysis, to include a cost realism analysis and cost confidence level, were performed in accordance with FAR 15.305 Proposal Evaluation, FAR 15.404 Proposal Analysis, and NFS 1815.305 Proposal Evaluation to ensure that the final agreed-to prices were fair and reasonable. The SLPT completed a cost realism analysis of each proposal that was determined to be technically "Acceptable" or "Potentially Acceptable." The results of the Government's cost/price evaluation were presented to the Source Selection Authority (SSA) for consideration in making the source selection. The proposed cost/price and probable cost/price for all years inclusive of completion form and IDIQ requirements were included in the results of the evaluation.

The Government only evaluated the proposed phase-in price for reasonableness. To promote fair competition, the price of phase-in is not a discriminator for selection purposes, as long as the proposed phase-in price is determined to be reasonable.

As stated in Section M of the RFP, at the completion of the evaluation against the Past Performance and Cost/Price evaluation factors, the Government is permitted to award a contract without discussions to the technically "Acceptable" Offeror(s) most highly rated under the Past Performance and Cost/Price Factors or, alternatively, if determined necessary by the Contracting Officer in accordance with FAR 52.215-1(f)(4), the Government may elect to establish a competitive range and conduct discussions.

For those Offerors determined to be "Acceptable" under the Technical Acceptability Factor, tradeoffs will be made between past performance and price. Past performance is significantly more important than Cost/Price.

The Government will award to the offeror whose proposal offers the best overall value to the Government, after evaluation, which meets all solicitation requirements and is determined responsible in accordance with FAR 9.104, *Standards*. Further, the Subcontracting Arrangement

Information (SAI), Organizational Conflict of Interest (OCI), Government Property Management, and Business System Adequacy information will also be used to determine eligibility.

III. Evaluation of Initial Proposals

The results of the initial evaluation were presented to me and other JSC officials on April 8, 2013, and are summarized below.

None of the proposals submitted took exception to the RFP requirements. All six proposals were determined to be Acceptable proposals in accordance with NFS 1815.305-70, and were, therefore, considered for evaluation and award. These proposals were evaluated in accordance with the Section M of the RFP, FAR Part 15, and NASA FAR Supplement Part 1815.

Technical Acceptability

After the Technical Acceptability evaluation was complete, the proposals from EEI, MEC^x, and SES were determined to be Unacceptable and were not further evaluated. The proposals from AGEISS and Paragon were determined to be Potentially Acceptable and the proposal from Straughan was determined to be Acceptable. As a result, these three proposals were evaluated against the Past Performance and Cost/Price evaluation factors.

Past Performance

AGEISS received a Past Performance Confidence Rating of "High." AGEISS has past performance on three contracts that are relevant and of excellent to very good merit that are pertinent to highly pertinent to this acquisition. SAIC, as a major subcontractor, has past performance on two very relevant contracts of exceptional merit that are very highly pertinent to this acquisition. The proposed Program Manager has past performance on a contract that is relevant and is of excellent merit that is highly pertinent to this acquisition, although the work ended a few months into the five year relevancy window. A second reference, of one year duration, was somewhat relevant and was of satisfactory merit. The AGEISS Team's safety and environmental past performance for the last three years demonstrates their ability to perform the contract in a safe manner. Based on the AGEISS Team's total past performance record in concert with a sound safety record, there is a high level of confidence that the Offeror will successfully perform the required effort.

Paragon received a Past Performance Confidence Rating of "Moderate." Paragon has past performance on a contract that is relevant and of very good merit and that is pertinent to this acquisition. Paragon proposes no major subcontractors and minor subcontractors did not meet the RFP dollar threshold for a past performance evaluation. The proposed Program Manager has past performance on two contracts that were somewhat relevant and of very good to excellent merit that is somewhat pertinent to this acquisition. Paragon's safety and environmental past performance for the last three years demonstrates their ability to perform the contract in a safe manner. Based on the Paragon Team's total past performance record in concert with a sound

safety record, there is a moderate level of confidence that the Offeror will successfully perform the required effort.

Straughan received a Past Performance Confidence Rating of “Very High.” Straughan has past performance on a contract that is very relevant and is of exceptional merit that is very highly pertinent to this acquisition. Navarro Research and Engineering Inc. (Navarro), as a major subcontractor, has past performance on two very relevant contracts of exceptional merit that are very highly pertinent to this acquisition. The proposed Program Manager has past performance on a contract that is very relevant and is of excellent merit that is very highly pertinent to this acquisition. The Straughan Team’s safety and environmental past performance for the last three years demonstrates their ability to perform the contract in a safe manner. Based on the Straughan Team’s total past performance record in concert with a sound safety record, there is a very high level of confidence that the Offeror will successfully perform the required effort.

Cost/Price

In addition to past performance, the three technically Acceptable and Potentially Acceptable proposals were evaluated on cost/price. The SLPT received information from the Defense Contract Audit Agency (DCAA) that all three offerors’ accounting systems were determined to be adequate.

For each Offeror’s completion form effort, the SLPT evaluated the proposed direct and indirect costs and rates for cost realism as well as the reasonableness of the proposed labor resources and non-labor resources. This evaluation resulted in a probable cost and fee, which in all cases differed to some extent from the proposed cost from each offeror, and reflected the Government’s best estimate of the completion form cost and fee of any contract that is most likely to result from the Offeror’s proposal.

For each Offeror’s IDIQ effort, the SLPT evaluated the proposed IDIQ direct and indirect costs and proposed labor and non-labor resources for cost realism and developed a probable cost estimate for IDIQ, which in all cases differed to some extent from the proposed cost from each offeror.

The SLPT evaluated the phase-in price for reasonableness and determined that all three offerors proposed phase-in prices that were reasonable.

For AGEISS, the total proposed cost was \$19.8 million and the Government’s final probable cost was \$21.1 million. Adjustments were made to the average annual WYEs and hours for both the completion form and IDIQ portions of the contract, labor rates, and proposed indirect rates. For Paragon, the total proposed cost was \$20.8 million and the Government’s final probable cost was \$23.9 million. Adjustments were made for the incumbent’s labor rates and material costs. For Straughan, the total proposed cost was \$19.8 million and the Government’s final probable cost was \$20 million. Adjustments were made for the incumbent’s labor rates for its major subcontractor.

The SLPT had a High Level of Confidence in its probable cost estimates for all three offerors.

IV. Selection Decision

During the evaluation presentation, I fully considered the material in the presentation charts and worksheets and questioned the SLPT regarding the evaluation process and its conclusions. I also requested any questions, comments, or concerns from my advisors. Based on my assessment of the evaluation materials and briefing, my decision is as follows:

I based my selection on which proposal, in my opinion, offered the best overall value to the Government and which met all solicitation requirements. I first considered the proposals under the Technical Acceptability factor. To be considered Technically Acceptable, all individual subfactors must be rated acceptable based on the level of completeness, feasibility, and reasonableness such that associated risks do not jeopardize an acceptable level of contract performance. I reviewed the Technical Acceptability subfactors – Management Approach, Phase-In Plan, and Technical Approach – and understood that each of these subfactors needed to be rated as Acceptable or Potentially Acceptable in order to be further evaluated for Past Performance and Cost/Price.

I considered the SLPT determination that the MEC^x proposal was found Unacceptable overall, based on the evaluation of its Management Approach and Technical Approach. I agree with this conclusion as the proposal contained risks that would jeopardize an acceptable level of contract performance. Specifically, with regard to Subfactor A – Management Approach, MEC^x's Management and Staffing Plan failed to address numerous items required by the DRD, along with not addressing most of the required management processes except for cost and schedule. Additionally, a number of concerns were raised in Subfactor C – Technical Approach that I agreed would jeopardize an acceptable level of contract performance. The Technical Implementation Plan did not provide a discussion of the proposed resources required or a narrative basis of estimate for the skill mix and WYEs; it did not address section C.2 of the SOW, Contract Management; and it did not adequately describe the processes or the methodology for performing the contract requirements at JSC. I do not believe that the provision of additional information during discussions would result in a proposal rating of Acceptable. Therefore, I agree with the SLPT's assessment that the proposal from MEC^x was Unacceptable and is eliminated from further evaluation.

I also considered the SLPT determination that the SES proposal was found Unacceptable overall, based on the evaluation of its Technical Approach. I agree with this conclusion as the proposal contained risks that would jeopardize an acceptable level of contract performance. Specifically, for Subfactor C – Technical Approach, SES's Technical Implementation Plan did not include a narrative basis of estimate for WYEs and skill mix and, in many instances, SES just paraphrased the SOW requirements rather than providing adequate detail relating to proposed procedures and processes. I do not believe that the provision of additional information during discussions would result in a proposal rating of Acceptable. Therefore, I agree with the SLPT's assessment that the proposal from SES was Unacceptable and is eliminated from further evaluation.

I then considered the SLPT determination that the EEI proposal was found Unacceptable overall, based on the evaluation of its Management Approach and Technical Approach. I agree with this

conclusion as the proposal contained risks that would jeopardize an acceptable level of contract performance. Specifically, for Subfactor A – Management Approach, EEI’s proposed Management and Staffing Plan was unclear, contained discrepancies throughout, and was inconsistent with the Technical Implementation Approach (TIA) and the Technical Resources Template. Additionally, some WYEs did not match qualifications and certifications in the Standard Labor Categories. With regard to Subfactor C – Technical Approach, there were major inconsistencies related to skill mix between the TIA, the Technical Workbook, and the Management and Staffing Plan. The TIA did not provide an adequate narrative basis of estimate for the completion form portion of the contract, it paraphrased SOW requirements rather than providing an adequate level of detail for multiple Work Breakdown Structures, and it has two WYEs of IDIQ effort assigned to completion form employees. I do not believe that the provision of additional information during discussions would result in a proposal rating of Acceptable. Therefore, I agree with the SLPT’s assessment that the proposal from EEI was Unacceptable and is eliminated from further evaluation.

The remaining proposals were all considered Acceptable or Potentially Acceptable by the SLPT and I considered those next. The SLPT determined the Straughan proposal as Acceptable in all three Technical Acceptability subfactors. I agree with this conclusion as the proposal met all the requirements in the solicitation and was at a level of reasonableness, feasibility and completeness where associated risks did not jeopardize an acceptable level of contract performance. Because this proposal is Acceptable, I considered it for further evaluation of Past Performance and Cost/Price consistent with Section M of the RFP.

The proposal from AGEISS was determined by the SLPT to be Potentially Acceptable overall, based on its evaluation of the Management Approach and Technical Approach. I agree with this assessment as it was not clear that the proposal met a level of completeness, feasibility, and reasonableness such that associated risks do not jeopardize an acceptable level of contract performance. Specifically, there was some information missing or not adequately explained to be able to make a clear determination of acceptability, such as: for Subfactor A – Management Approach, the Management and Staffing Plan lacked a complete description of the organizational structure, it did not delineate prime/subcontractor responsibilities, and it did not include any rationale for locating some staff off-site. In addition, the proposed labor rates for two Standard Labor Categories (SLC) were unrealistically low. For Subfactor C – Technical Approach, the Technical Implementation Approach (TIA) did not provide rationale for how AGEISS would effectively perform the SOW requirements with partial WYEs for two positions. Finally, the TIA did not adequately discuss the storm water program in section C.4.2 of the SOW. However, it is likely that additional information obtained during discussions could result in a proposal rating of Acceptable. Because this proposal is Potentially Acceptable, I considered it for further evaluation of Past Performance and Cost/Price consistent with Section M of the RFP.

Similarly, the Paragon proposal was determined by the SLPT to be Potentially Acceptable overall, based on its evaluation of the Management Approach and Technical Approach. I agree with this assessment as it was not clear that the proposal met a level of completeness, feasibility, and reasonableness such that associated risks do not jeopardize an acceptable level of contract performance. Specifically, there was some information missing or not adequately explained to

be able to make a clear determination of acceptability, such as: for Subfactor A – Management Approach, the subcontractors’ TCP templates were not provided in the Volume III, Cost/Price; and for Subfactor C – Technical Approach, the Technical Implementation Approach did not include sufficient non-labor resources, did not adequately explain the basis of estimate for the number of WYEs and skill mix for portions of the SOW and Task Orders, and did not completely address all elements of the Task Orders. However, it is likely that additional information obtained during discussions could result in a proposal rating of Acceptable. Because this proposal is Potentially Acceptable, I considered it for further evaluation of Past Performance and Cost/Price consistent with Section M of the RFP.

In accordance with the RFP, I then considered the Past Performance and Cost/Price of all three Acceptable or Technically Acceptable proposals, understanding that Past Performance was significantly more important than Cost/Price in the tradeoff between these two factors. The SLPT had a Very High level of confidence in Straughan’s past performance. I agreed with this assessment and found the referenced work by Straughan at another NASA center very highly pertinent as it is essentially the same in scope and complexity as the work in this contract and very effectively performed. In addition, the fact that Straughan proposed to use the same Program Manager who had performed so well on this other NASA contract was a discriminator for me in my evaluation. Straughan’s proposed major subcontractor, Navarro, also demonstrated very relevant past performance on two contracts, one with NASA White Sands Test Facility, that was very highly pertinent and effectively performed.

I also agreed with the assessment of the SLPT that AGEISS’ proposal demonstrated a High level of confidence in its past performance. While I agree that it had relevant past performance on three contracts with the Federal government where it performed several individual elements of the JES scope of work, AGEISS did not demonstrate experience as a prime contractor managing a comprehensive onsite environmental program with the scope and complexity required by this contract. I noted that AGEISS proposed SAIC as its major subcontractor, which does have very relevant experience on two contracts at other NASA centers and its performance was rated as excellent. However, the experience of this major subcontractor is not enough to make me deviate from the assessment of the SLPT on the level of confidence assessed to the AGEISS proposal.

The SLPT had a Moderate level of confidence in Paragon’s past performance and, after consideration, I agreed with this assessment. Paragon had one relevant contract that is about half the scope and complexity of the JES contract and two others that were only somewhat relevant. The proposed Program Manager’s past experience, while assessed as recent and highly effective technically, was not of the same nature and complexity as would be required for the JES contract. There were no major subcontractors proposed and the minor subcontractors were not assessed for past performance and, following the RFP, I noted that the past performance of a prime or subcontractor will be considered more relevant than the key personnel (Program Manager) past performance of similar recency and relevancy.

In considering the Cost/Price evaluation for these three proposals, I noted that the SLPT found the proposed phase-in price for all three offerors to be reasonable. Therefore, I did not evaluate this element and it was not a discriminator for me in my selection. I reviewed the proposed

cost/price and fee and the probable cost/price and fee for each offeror and noted how close all the proposals came to each other. Particularly between Straughan and AGEISS who both proposed the same overall cost to perform this contract, \$19.8M, and there is only an approximate 5% difference between the two in its probable cost as determined by the SLPT.

Based on all the information provided by the SLPT, it is my decision on whether to award a contract without discussions to the technically "Acceptable" Offeror(s) most highly rated under the Past Performance and Cost/Price Factors or, alternatively, to establish a competitive range and conduct discussions. Based on the fact that the one proposal that is currently rated as "Acceptable," Straughan, is also the proposal rated with a Very High level of confidence in past performance, the highest rated level of confidence among the three remaining offerors, and the difference in the probable cost/price between Straughan and AGEISS, which had the next highest level of confidence in its past performance with a High rating, is only approximately 5%, I do not believe it is in the Government's interest to establish a competitive range and conduct discussions. Rather, it is my decision to award this contract without discussions to Straughan Environmental, Inc.



Lawrence A. Kenyon
Source Selection Authority

5/6/13
Date