

Space Technology Mission Directorate
Flight Opportunities Program
Source Selection Statement

Flight Opportunities
Suborbital Reusable Launch Vehicle (SRLV)
Flight and Payload Integration Services
NND14480735R
On-Ramp 1

Stephen G. Jurczyk
Source Selection Authority

August 31, 2015

Table of Contents

A. Procurement History Narrative.....	2
B. Evaluation Process.....	3
Technical Acceptability Evaluation.....	4
Performance Confidence Assessment.....	4
Price Factor Evaluation.....	5
C. Findings Narrative.....	6
1. Technical Acceptability Factor Evaluation.....	6
2. Performance Confidence Evaluation Factor.....	7
3. Price Evaluation Factor.....	7
D. Summary of Evaluation Findings.....	9
E. Source Selection Decision.....	9

Introduction

On August 28, 2015, as the designated Source Selection Authority (SSA), I, along with senior officials at NASA Headquarters, met with the Program Officer (Flight Opportunities Program Executive), the Flight Opportunities Program Manager, and the Chair of the Source Evaluation Committee (SEC) that was appointed to evaluate proposals submitted in response to the Request for Proposals (RFP) entitled, "Flight Opportunities Suborbital Reusable Launch Vehicle (SRLV) Flight and Payload Integration Services" at NASA Armstrong Flight Research Center (AFRC). Relevant portions of the SEC's evaluation of proposals, and my decision on selection of successful Offerors are set forth in this Source Selection Statement.

A. Procurement History Narrative

The NASA Space Technology Mission Directorate (STMD) Flight Opportunities Program (hereafter "the Program") has worked towards maturing flight readiness of new crosscutting technologies that advance or enable multiple future space missions. Through a multiple award contract, the Program has provided opportunities to fly technology payloads on flight platforms that provide reduced gravity or other relevant environments required to test technologies in order to advance their technology readiness.

The Program intends to continue to provide frequent flight opportunities for technology payloads on vehicles that are capable of flying to various altitudes and flight conditions. Technology payloads, which are solicited under separate announcements periodically issued by the Program, were not part of this solicitation.

The Program sought to acquire commercial flight and payload integration services to fly NASA-directed technology payloads on missions to help achieve the goals of the STMD. This procurement was solicited and evaluated under the provisions of Federal Acquisition Regulation (FAR) Part 12, Acquisition of Commercial Items, and is an Indefinite Delivery - Indefinite Quantity, task-order-based contract with an initial five-year period of performance.

This action is a continuation of the original solicitation issued on March 25, 2014, and will result in an overall four-year period of performance for new vendors. The amendment for on-ramping of new vendors was issued June 4, 2015, and proposals were received from the following three Offerors (listed in alphabetical order) on July 13, 2015:

- Blue Origin, LLC
- Integrated Spaceflight Services
- Near Space Corporation

A proposal submitted by Exos Aerospace was received after the published deadline and was not evaluated. The proposal was not opened and the Offeror was informed in writing on July 20, 2015.

B. Evaluation Process

I appointed a Source Evaluation Committee (SEC), comprised of technical and programmatic experts, to review proposals. Proposals were evaluated using the review criteria described in the solicitation and summarized below. I reviewed the results and findings of the SEC in order to make the final selection of proposals for contract award.

The SEC first reviewed all proposals for major deficiencies or omissions in accordance with the RFP. Two proposals were determined to be responsive:

- Integrated Spaceflight Systems (ISS)
- Near Space Corporation (NSC)

The proposal from Blue Origin, LLC, included the following language in their cover letter:

We anticipate that future flights launching payloads for hire will be offered by a Blue Origin affiliate after obtaining a launch License from the FAA. This Blue Origin affiliate will register in the SAM (System for Award Management) database. For this reason, we have not executed the attached Form 1449.

The inclusion of the above language resulted in a determination that the Blue Origin proposal was non responsive for the following reasons:

1. Stating that an affiliate would be the prime contractor to perform the work, but neither naming this affiliate nor providing any details on the arrangement is an unacceptable omission.
2. Failure to submit a signed SF-1449, which is a requirement for the Government to award a contract, is an unacceptable omission.
3. Registration in the SAM (System for Award Management) database is required in order for the Government to award a contract.
4. Blue Origin did not submit pricing for the two option years as required in the RFP.

The SEC determined that these issues could not be satisfactorily resolved by entering into discussions with the Offeror.

The appointed SEC concluded its evaluations of responsive proposals on July 27, 2015. The SEC's assessments included consideration of the following evaluation factors, listed in the RFP in descending order of importance: Technical Acceptability, Past Performance, and Price. The Factors were not numerically scored. The evaluation was conducted in two phases: (1) Technical Acceptability; and (2) Past Performance and Price integrated value trade-off.

Technical Acceptability Evaluation

Technical Acceptability was evaluated on a "pass/fail" basis and assessed the capability of the Offeror to accomplish the work to be performed as detailed in the Performance Work Statement (PWS) of the RFP. The proposals were evaluated against the following four subfactors (to be determined Technically Acceptable, a proposal was required to meet ALL listed subfactors). Evaluation of any proposal determined to be "Technically Unacceptable" was discontinued and the overall proposal determined to be Unacceptable.

1. Subfactor 1 evaluated the Offeror's operational capability to provide commercial services for one (or more) of the required flight profiles using a proven qualified flight vehicle(s) or vehicle family.
2. Subfactor 2 evaluated the Offeror's ability to provide commercial services, including payload integration, safety and mission assurance, environmental compliance, and regulatory compliance, independently of Government assistance and oversight.
3. Subfactor 3 evaluated the Offeror's ability to respond appropriately to task orders and the ability to secure and recover payloads.
4. Subfactor 4 evaluated the reusability of the Offeror's proposed qualified vehicle(s) against the required standard for the type of flight vehicle proposed.

Performance Confidence Assessment

For proposals that were determined to be "Technically Acceptable," the SEC determined a level of Performance Confidence by an evaluation of those Offerors' Past Performance. This assessment process resulted in an overall performance confidence rating, using the adjective ratings as defined in NASA FAR Supplement (NFS) Section 1815.305:

- Very High Level of Confidence
- High Level of Confidence
- Moderate Level of Confidence
- Neutral (or Unknown Confidence)
- Low Level of Confidence
- Very Low Level of Confidence

Relevant performance included performance of efforts involving comprehensive commercial space flight and integration services that were similar to or greater in scope, magnitude, and complexity than the effort described in this solicitation. Evaluation of past performance was subjective, based on consideration of all relevant facts and circumstances, including relevance to work required by the solicitation.

Price Factor Evaluation

For those proposals that were determined to be "Technically Acceptable," adequate price competition was not achieved because of the different types of services and profiles that were proposed. Because of the lack of price competition, the SEC applied price analysis techniques to the evaluated price to ensure that the Government would pay a Fair and Reasonable price. The SEC compared proposed prices to known prices from existing vendors on the IDIQ contract providing similar capabilities. The SEC also performed a detailed analysis of the proposed pricing compared to an Independent Government Estimate based on current and historical pricing data from multiple sources. Additional analysis was performed via parametric estimating methods using prices normalized to "price per kg mass" and "price per kg mass per km altitude." Although the Price Factor was not numerically scored and received no adjectival rating, it was important in determining that the Offeror understood the requirement and the resources required to satisfy it.

Integrated Assessment

The SEC ranked Technically Acceptable proposals by Performance Confidence and Price in order to provide for an integrated assessment for a best value decision for contract awards.

C. Findings Narrative

The following narrative summarizes the SEC's findings for the three evaluation factors, as applied to the remaining two Offerors.

1. Technical Acceptability Factor Evaluation

One proposal was determined by consensus of the SEC to be Technically Acceptable, based on the Offeror having proposed technically acceptable responses to all four evaluation subfactors, and having provided a complete and acceptable discussion of all elements of the PWS. The Technically Acceptable Offeror provided acceptable proof of having provided successful flights meeting a PWS flight profile requirement and a comprehensive plan for independent operations with sufficient proof of applicable regulatory permits to operate in the capacity required by the government.

Near Space Corporation (NSC):

- NSC proposed a family of untethered balloons, NBS and SBS (Nano Balloon System and Small Balloon System, respectively), along with the HASS (High Altitude Shuttle System), an autonomous glider, to meet the requirements of flight Profile P2 (REF: PWS Section 5.2). Profile P2 requires an ascent to 30km MSL (mean sea level) minimum for a flight time of 1 hour or more, followed by a descent to 0 AGL (above ground level) and successful recovery of the payload. The proposed balloons have payload capabilities that exceed the minimum mass and volume requirements of the RFP. NSC has successfully flown these balloons to loft payloads for Flight Opportunities and commercial customers.
- NSC also proposed deviations to the PWS for providing services under Profiles P3 and P5 (spacecraft profiles). The SEC determined that (1) the proposed Qualified Vehicles (QVs) do not meet the PWS requirements for those profiles, and (2) the capabilities proposed can be accomplished within the accepted profile, P2, and the deviations were not necessary.
- NSC proposed a comprehensive operating plan that fully addressed all of the requirements for providing commercial services, independently, by fully addressing flight safety, mission assurance, and environmental compliance; possession of applicable regulatory approvals; and how they plan to operate independently of Government assistance.
- NSC proposed an operating plan that fully addressed accessibility of payloads and detailed how payloads will be accepted and processed. NSC's plan discussed in detail how they will recover and secure payloads; how payload providers will be able to access their payloads immediately after recovery; and how they will provide for access to flight operations by Government observers before, during, and after launches.
- NSC provided evidence that their proposed family of QVs meets or exceeds the RFP requirement for reusability for balloons.

One proposal did not meet all listed subfactors and was determined to be Technically Unacceptable, and further evaluation of that proposal was discontinued:

Integrated Spaceflight Systems (ISS):

- ISS proposed transport class aircraft as QVs to fly parabolic profiles within the atmosphere, which does not conform to any of the required flight profiles. Since the Offeror did not propose a QV meeting one of the flight profiles as defined in PWS Section 5, this is considered a major deficiency of the proposal.

2. Performance Confidence Evaluation Factor

Summary of Evaluations:

The SEC assessed Performance Confidence for the Past Performance of the technically acceptable Offeror and determined that the Offeror has an acceptable level of performance confidence in efforts that were relevant to this acquisition. To make the determination, the SEC utilized the information provided by the Offeror, as well as information independently obtained, by use of surveys that were either requested by the Offeror or by the contract specialist. Because of sufficient past performance information for the Technically Acceptable Offeror, this Offeror did not have to be considered "Neutral" in past performance. The resulting adjectival rating is as follows:

- Near Space Corporation: Moderate Level of Confidence: Based on customer surveys from technical monitors, the SEC determined that NSC's relevant past performance is highly pertinent to this acquisition. NSC has extensive experience providing balloon flights for several commercial and Government customers. However, there is some concern regarding NSC's varying degree of mission success and delays in completion of contracted work. The SEC assesses a moderate level of confidence that Near Space Corporation is capable of providing fully successful service on a commercial level, including service to the Flight Opportunities Program.

3. Price Evaluation Factor

The table below is a summary of the Technically Acceptable Offerors and the profiles they are capable of providing:

OFFEROR	P1 Reduced Gravity with space environment	P2 Exposure to high altitude	P3 Space environment with free-fall descent	P4 Controlled descent with controlled vertical landing	P5 Controlled high-altitude ascent and descent
Near Space		*			

For the Technically Acceptable Offeror, the SEC evaluated the reasonableness of proposed prices as follows:

- NASA used an Independent Government Estimate (IGE) developed for each flight configuration/mission profile. The Offeror was evaluated based on the lowest priced configuration and profile proposed since this value will also be the minimum value for the IDIQ contract awarded. Because the Offeror provided pricing by the payload slot, these prices were used for the evaluation instead of the full manifest price.
- The IGE was updated for the On-Ramp 1 solicitation to include previously awarded contracts on NND14480735R. The IGE for Flight Profile P2 was also updated to include an estimate for a single payload slot, instead of a full manifest.
- The IGE utilizes common payload sizing standards as reference points for small and large payload slots, as follows:
 - CubeSat Unit (CU) = 1kg, 10cm cube
 - Middeck Locker Equivalent (MLE) = 24.5kg max, 51.6cm x 44.0cm x 25.3cm
 - Single MLE = 16 CU based on commercially available (NanoRacks, LLC) MLE inserts used on the International Space Station to host CU payloads
- If the Offeror identified their payload slots in terms of CU or MLE, that value was used for comparison to the IGE. Otherwise, the proposed prices were first normalized to either a Middeck Locker Equivalent (MLE) or CubeSat Unit (CU).
- For vehicles without a defined payload enclosure (such as balloons), the comparison with the IGE was based on payload mass.
- The following prices for the first base year of the contract for the most likely configurations/missions to be ordered by the Program were compared against the IGE and determined to be within the IGE range of acceptable prices:

OFFEROR	Profile Evaluated	Evaluated Price (\$K)	Normalized Price (\$K)	Normalized To	IGE Range for Profile (\$K)
Near Space	P2	\$ 29.9	\$10.0	1 CU	\$1 - \$31

Near Space evaluated pricing was for one nano balloon slot, 3 kg mass, equivalent to 3 CU

- The Offeror proposed escalation rates for the contract out years that were within current guidelines of 5% or less.
- Pricing data for various configurations, full manifests, and/or more payload mass and volume were compared to the IGE and historical data.
- Fixed prices for commonly requested, non-standard services were compared to historical data.

- Fixed hourly labor rates for uncommon, non-standard services were compared to historical data and other contracts for the same or similar labor categories.

The SEC determined that their proposed pricing demonstrated that the Offeror fully understood the requirement and the resources required to satisfy it.

The SEC concluded that all prices from the Technically Acceptable Offeror were Fair and Reasonable.

D. Summary of Evaluation Findings

On July 30, 2015, the SEC Chairman reviewed the SEC's findings with the STMD Deputy Associate Administrator for Programs, the Flight Opportunities (FO) Program Executive and FO Program Manager, and other senior staff of STMD constituting the Advisory Panel. This included a summary of the source evaluation process as well as the summary of findings listed in the table below. The Advisory Panel indicated concurrence with the SEC's findings.

The SEC's full findings and recommendations are summarized in the following table. The Offeror shown with white background is considered selectable; those shown grayed out are considered to be non-selectable for the reasons indicated.

OFFEROR	INITIAL EVALUATION	TECHNICAL ACCEPTABILITY	PERFORMANCE CONFIDENCE	PRICE
Near Space	RESPONSIVE	ACCEPTABLE	MODERATE	FAIR AND REASONABLE
ISS*	RESPONSIVE	UNACCEPTABLE	DID NOT EVALUATE	DID NOT EVALUATE
Blue Origin**	NON RESPONSIVE	DID NOT EVALUATE	DID NOT EVALUATE	DID NOT EVALUATE

* The SEC did not evaluate the Past Performance or Price factors for ISS because the proposal was not technically acceptable

** The SEC did not evaluate the Technical Acceptability, Past Performance, or Price Factors for Blue Origin because the proposal was non responsive

E. Source Selection Decision

The SEC Chairman presented the details of the evaluation results to me on August 28, 2015. During that presentation, I asked questions and received clarifications to the team's findings, as needed, to more accurately understand the evaluation results. I am confident that those results form a solid basis upon which I may make this selection decision.

Using the findings presented by the SEC, and not taking any exceptions to the results presented, I concur with the overall ratings for Technical Factor, Past Performance Factor, and Price Factor.

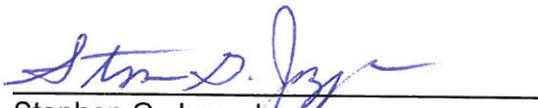
To summarize:

- Near Space Corporation (NSC) was determined to be "Technically Acceptable" and proposed "Fair and Reasonable" pricing. This Offeror proposed the following capabilities: a family of balloons capable of achieving the requirements of PWS Flight Profile P2: "Exposure to high altitude," lofting payloads to >30km MSL with a flight time of 1 hour or greater. NSC also proposed use of an autonomous glider capable of carrying a payload with a preprogrammed controlled descent from 28km altitude.
- The Offeror proposed capabilities that overlap vendors already performing on the IDIQ contract, and would provide price competition and scheduling flexibility for Profile P2.
- The Offeror received an acceptable Performance Confidence evaluation ("Moderate").

I believe that this Offeror presents an opportunity to on-ramp additional valuable capabilities to the existing roster of vendors already performing on this contract, necessary for the execution of Space Technology Mission Directorate goals for the Flight Opportunities Program.

As there is only one technically acceptable proposal to consider, I have determined that it is in the government's best interest to award without discussions.

In summary, based on my assessment of the proposals as described herein, it is my decision that the proposal submitted by Near Space Corporation represents the best overall value to the Government.



Stephen G. Jurczyk
Space Technology Mission Directorate
Associate Administrator/Source Selection Authority

9/24/15

Date