ADDENDUM

Source Selection Statement for the DC-8 Heavy C Check Contract
National Aeronautics and Space Administration (NASA)
Hugh L. Dryden Flight Research Center (NASA-DFRC)

This is an addendum to the Source Selection Statement and Source Selection Decision made on September 18, 2013 in response to the proposals received under the DC-8 Heavy C Check solicitation NND13474050R. After completion of the source evaluation process, and prior to the award of the contract, the prospective awardee ST Aerospace San Antonio (STASA), was determined by the Small Business Administration (SBA) to not be eligible for award because STASA was determined not to be a small business under the 1500 employee size standard for NAICS Code 33641.

Acquisition Issues

NASA Dryden Flight Research Center (DFRC) issued solicitation NND13474050R as a 100% Small Business Set-Aside under NAICS Code 336411- Aircraft Manufacturing, with a corresponding small business size standard of 1500 employees. After receipt of proposals, source evaluation, and selection, the unsuccessful offeror (AerSale, Inc.) was notified on September 18, 2013, that STASA, LP was the apparent successful offeror. On September 23, 2013 the Contracting Officer and the DFRC Small Business Center Representative received a telephone call from AerSale, Inc. expressing concerns that the prospective awardee, STASA, was in fact a large business and should not be eligible for award under the terms of the solicitation. Based upon information received, the Contracting Officer in conjunction with the DFRC Small Business Center Representative, decided to initiate a Small Business Size Standard protest/validation request to the Small Business Administration (SBA) Office of Government Contracting in order to clarify the issue and get a formal size standard determination prior to award of the contract.

Based upon the size standard request, the SBA notified STASA on September 24, 2013 of the size standard protest. SBA then proceeded with the determination process.

On October 28, 2013 the Contracting Officer was notified by the SBA that the SBA had completed its determination and finding that STASA is not a small business under the 1500 employee size standard for NAICS Code 336411. The SBA forwarded their official notification to both STASA and the Contracting Officer on October 28, 2013 (letter was inadvertently dated as September 28, 2013). On October 31, 2013the Contracting Officer, formally notified STASA of the SBA's findings (by letter and telephone conversation), and advised that, because of the size standard determination, STASA was not eligible for the award of the contract. STASA advised that although disappointed; that they accept with the SBA's findings and would not appeal either the Contracting Officers or the SBA's determination.

Revised Business Summary

	AerSale	ST Aerospace San Antonio
Business/Price Factor Proposed	$2,855,500.00	Not Eligible for Award
Business/Price Factor Adjusted	$3,019,568.00	Not Eligible for Award

Source Selection Decision (SSD)

Based upon the findings presented, and considering that both offerors under the solicitation evaluation were determined to be technically qualified and compliant with the evaluation criteria described in the solicitation the award of the contract shall in accordance with Federal Acquisition Regulation (FAR) 52.219-6, Notice of Total Small Business Set Aside, and shall be awarded to the next highest evaluated offeror in the competition. That offeror is AerSale, Inc. of Corel Gables, FL. Therefore, as a result of the ineligibility of the initial selectee STASA, AerSale, Inc. is hereby selected for award of a contract resulting from solicitation NND13474050R.

Jim E. Kitahara
Source Selection Official

Nov 6, 2013
Date

Source Selection Statement for the DC-8 Heavy C Check Contract
National Aeronautics and Space Administration (NASA)
Hugh L. Dryden Flight Research Center (NASA-DFRC)

On September 18, 2013, I, the Source Selection Authority (SSA), reviewed the evaluation of the proposals by the buyer team in response to the DC-8 Heavy C Check solicitation NND13474050R.

Procurement Description

This acquisition action is for the performance of a Seventy-Two (72) month "Heavy Maintenance C Check" on the NASA owned DC-8 Airborne Science Platform. The scope and objective of the requirement is to provide NASA with a new baseline maintenance configuration utilizing the Boeing and the Federal Aviation Administration (FAA) approved Maintenance Steering Group (MSG-3) Low Utilization Maintenance Program (LUMP). In addition to the 72 month structural inspection, NASA is also requiring landing gear removal and replacement, replacement of cabin insulation blankets to meet new fire retardant standards, resealing of aircraft fuel tanks, removal (e.g. stripping) of wing, wheel well, and engine nacelles of external paint, and repainting in accordance with a NASA specified paint scheme. The requirement includes all labor and materials necessary to complete all inspections, repairs, stripping, cleaning, and painting, and return the aircraft to service in accordance with applicable FAA certification standards. The Government will provide overhauled, ready-for-issue replacement landing gear for removal and replacement during the heavy check. The solicitation anticipates awarding a Firm-Fixed-Price (FFP) contract. The effort will be performed under a fixed-price type contract with a period of performance of Not-To-Exceed (NTE) 180 days.

Procurement History

This procurement was solicited under the provisions of FAR Part 12 Acquisition of Commercial Items. The Government designated the procurement as a 100 percent small business set-aside under Federal Acquisition Regulation (FAR) Part 19.5. In accordance with Federal Acquisition Regulation (FAR), "Synopsis of Proposed Contract Actions," the DC-8 Heavy C Check effort was synopsized on May 31, 2013 via NASA Acquisition Internet Services (NAIS) business opportunities website and was thereafter migrated to the Federal Business Opportunities (FedBizOpps) fbo.gov website. NASA issued a Request for Proposal (RFP) on June 20, 2013. In addition there were two (2) subsequent amendments issued by the Contracting Officer before the proposal due date.

Amendment 1 was issued on August 5, 2013 to revise the Statement of Work (SOW) Section 3.4 Facilities, administratively correct a typographical error on the SF-1449, and to provide answers to questions posed by the offerors. As a result, the proposal response time was extended from August 15, 2013 to August 20, 2013.

Amendment 2 was issued on August 15, 2013 to provide additional answers to questions posed by the offerors. As a result, the proposal response time was extended from August 20, 2013 to August 22, 2013.

The RFP required that proposals be submitted by August 22, 2013 at 4:00 PM PST. Two (2) Offerors, AerSale, Inc., and ST Aerospace San Antonio, L.P. submitted timely proposals in response to the RFP; the offerors are listed as follows in alphabetical order.

AerSale, Inc.
121 Alhambra Plaza, Suite 1700
Corel Gables, FL 33134
Phone: (305) 764-3200

ST Aerospace San Antonio, L.P.
9800 John Saunders Road
San Antonio, TX 78216
Phone: (210) 293-3200
Fax: (210) 293-3660

Evaluation Procedures

The evaluation was conducted in accordance with FAR Clause 52.212-2, utilizing a cost/technical trade-off analysis. The proposals were evaluated consistent with the evaluation criteria listed in the solicitation as follows:

> Evaluation – Commercial Items
>
> 52.212-2 Evaluation – Commercial Items (JAN 1999)
>
> (a) The Government will award a contract resulting from this solicitation to the responsible offeror whose offer conforms to the solicitation and is most advantageous to the Government, price and other factors considered. The following factors were used to evaluate proposals:
>
> > Technical capability including modification schedule match (to include proposed induction and completion schedules), access to a secure Operations and Maintenance (O&M) facility, O&M work requirements, quality assurance system, overall Contractor qualification requirements (including access to DC-8 technical publications, security considerations, engineering services), proposed warranties, proposed internal controls for protection of Government Furnished Property (GFP), availability of DC-8 special tooling and rotables, and the overall experience level of the proposed management and maintenance crew Airframe &Powerplant mechanics, avionics technicians, and quality inspectors should have current or previous DC-8 experience. Note: In order to be considered minimally technically acceptable and qualified to provide a proposal, an offeror shall possess a current Federal Aviation

Administration (FAA) Repair Station certification to 14 Code of Federal Regulation (C.F.R.) Part 145. In addition, the mandatory compliance areas of the technical requirements are critical and the inability to comply with them will result in either a major weaknesses or deficiency rating in the proposal evaluation. All proposers are also required to have an adequate Safety and Health Plan and it is strongly desired by the Government that the Contractor possess a current Quality Assurance (QA)AS9100 third-party certification OR as a minimum demonstrate AS9100 compliance. As part of the overall quality system review the Government will closely evaluate the Contractors Metrology (e.g. calibration system) and Foreign Object Damage (FOD) and Tool Control programs.

Price (to include adjustment for estimated cost to the Government to: 1) deliver the DC-8 aircraft to the proposed modification induction site; 2) provide on-site NASA representation; and 3) consider the proposed over & above conditional maintenance rate(s) for touch labor, engineering services, and back shop support.

Past Performance History to include the prospective Contractor's recent or previous heavy maintenance history specific to DC-8 heavy maintenance activity; along with familiarity with the Boeing Low Utilization Maintenance Program (LUMP) developed under Maintenance Steering Group 3. Note: Direct relevant past performance history (e.g. specific experience with DC-8 platform will be rated higher than generic past performance history).

Technical capability and past performance, when combined, are significantly more important than price.

Technical Evaluation Finding

DC-8 Heavy C Check -- Evaluation Team Findings: AerSale, Inc.

The AerSale technical proposal did a very good job of addressing the technical requirements delineated in the solicitation and the Statement of Work (SOW). Under the evaluation AerSale received one (1) significant strength and seven (7) strengths. AerSale had zero (0) weaknesses and zero (0) deficiencies. The following synopsizes the evaluation team's findings:

Technical Capability/Requirements/Compliance:

1. AerSale proposed a NTE 180 day completion schedule with an induction date starting January 7, 2014. The evaluation team reviewed the proposed schedule and determined that it matched the Government requirement. AerSale provided a comprehensive Microsoft Project program schedule. AerSale received a ***strength*** for their proposed induction and completion schedules.
2. AerSale proposed to complete the maintenance services at their secure location and the painting services at Dean Baldwin Painting; both facilities are located at the Roswell Airport. The Roswell Airport and facilities are compliant with CFR Title 49, Part 1542 – Airport Security. The evaluation team reviewed the proposed facilities and determined that they met or exceeded the Government's requirements. AerSale provided a detailed

Airport Diagram; and Maintenance, Repair, and Overhaul (MRO) Facility Layout. AerSale received a ***strength*** for their proposed MRO Facility.

3. AerSale proposal provided a very good understanding and description of work to be performed. AerSale specifically discussed and covered all of the Government's requirements. AerSale covered the Routine Maintenance, Landing Gear Replacement, Service Bulletins, Cabin Insulation Blankets, Strip & Paint, Fuel Tank Inspection, Over & Above Tasks, and Other Requirements such as Badging and Accessibility for NASA Technical Representatives. AerSale received a ***strength*** for their proposed understanding of the O&M work requirements.
4. AerSale is AS9100 compliant and is currently in the process of obtaining "Third Party Certification." In addition, review of AerSale's QA Manual indicated that it is fully compliant. AerSale received a ***strength*** for their AS9100 third-party certification or AS9100 compliance.
5. AerSale provided extensive personnel qualification listing to include resumes and job training certifications. AerSale stated in their proposal that they are in possession of all required Technical Manuals, Service Bulletins, and Airworthiness Directives needed to accomplish the technical requirements. AerSale also provided a listing of qualified suppliers. The evaluation team reviewed the resumes, job training certifications, access to technical publications, and qualified supplier list and determined that they all meet the Governments minimum requirements. AerSale received a ***meets requirement*** for their proposed Contractor qualification requirements.
6. AerSale was silent regarding any extended warranty program and was therefore considered to be offering their standard commercial warranty terms and conditions. AerSale received a ***meets requirement*** for their proposed Contractor warranty provisions.
7. AerSale proposed to protect GFP by properly tagging, segregating, and storing the GFP in a secure area. AerSale received a ***strength*** for their proposed internal controls to protect Government furnished property/materials.
8. AerSale provided a very extensive listing of both DC-8 tooling and rotables that far exceeds the Government requirement in these areas. AerSale received a ***significant strength*** for their proposed DC-8 tooling and rotables.
9. AerSale FAA Repair Station Certificate and the applicable airframe, power plant, and instrumentation rating met or exceeded the Government stated requirement in this area. AerSale received a ***strength*** for their proposed FAA compliance and capabilities.
10. AerSale referenced corporate experience with several MSG-3 maintenance checks with commercial operators, as well as one with the National Nuclear Safety Administration and has experience with the Boeing LUMP program on other aircraft platforms. AerSale received a ***strength*** for their familization and experience with the Boeing LUMP.
11. AerSale's Safety & Health Plan was reviewed by the NASA DFRC Safety & Health Office and was determined to be adequate. AerSale was assigned a ***meets requirement*** for their Safety & Health Plan

DC-8 Heavy C Check -- Evaluation Team Findings: ST Aerospace San Antonio

The ST Aerospace San Antonio technical proposal did a very good job of addressing the technical requirements delineated in the solicitation and the SOW. ST Aerospace San Antonio

received three (3) significant strengths and five (5) strengths. ST Aerospace San Antonio had one (1) weakness and zero (0) deficiencies. The following synopsizes the evaluation team finding:

Technical Capability/Requirements/Compliance:

1. ST Aerospace San Antonio proposed a NTE 45 working day maintenance turn-around-time (TAT); a 12 working day TAT for painting services; and an induction date starting as early as November 1, 2013, which met and exceeded the Government requirement. ST Aerospace San Antonio received a ***significant strength*** for their proposed induction and completion schedules. The total 57 working day turnaround (approximately 80 calendar days) time greatly enhances the potential for successful contract performance (within the maximum Government 180 calendar day completion schedule); reduces the Temporary Duty cost to the Government for travel and per diem; and provides the ability for the Government to support early science missions during the 2nd through 4th quarters of FY2014.
2. ST Aerospace San Antonio proposed to complete the maintenance action at their extensive hangar facilities located at the San Antonio International Airport (hangar and support shops in excess of 700,000 square feet); and the painting services at Dean Baldwin Painting located at the Roswell Airport in New Mexico (KROW). The proposed facilities met or exceeded the Governments requirements. ST Aerospace San Antonio received a ***strength*** for their proposed O&M Facility.
3. ST Aerospace San Antonio proposal provided a good understanding of work to be performed. The ST Aerospace San Antonio technical proposal addressed all of the Governments requirements. ST Aerospace San Antonio was assigned a ***meets requirement*** for their technical narrative/understanding of the O&M work requirements.
4. ST Aerospace San Antonio provided current ISO certifications including "Third Party ISO 9001:2008 and AS9110:2003 Certifications". ST Aerospace San Antonio received a ***strength*** for their AS9100 third-party certification.
5. ST Aerospace San Antonio provided an excellent overview of their personnel qualifications. ST Aerospace San Antonio has a large pool of staff trained and experienced in the DC-8 platform. In addition, ST Aerospace San Antonio possessed all the required Technical Manuals, Service Bulletins, and Airworthiness Directives needed to accomplish the technical requirements. ST Aerospace San Antonio exceeded the Governments requirement in this area and was assigned a ***significant strength*** for their Contractor qualification requirements.
6. ST Aerospace San Antonio proposed to warrant the workmanship of the services rendered for a period of 12 months or 1200 flight hours, whichever occurs first. ST Aerospace San Antonio received a ***strength*** for their proposed Contractor warranty provisions because they exceeded the standard commercial warranty terms and conditions that are generally provided for these services.
7. ST Aerospace San Antonio was silent regarding the protection of GFP. ST Aerospace San Antonio received a ***weakness*** for their proposed internal controls to protect GFP property/materials.
8. ST Aerospace San Antonio retains a large pool of equipment and tools associated with DC-8 maintenance, as well as in stock parts and materials. ST Aerospace San Antonio met or exceeded the Government requirement in this area. ST Aerospace San Antonio

received a ***significant strength*** for their proposed DC-8 tooling and rotables.

9. ST Aerospace San Antonio provided a copy of their FAA Repair Station Certificate and the applicable airframe (Class 3 & 4), power plant, and instrumentation rating, which met or exceeded the Government stated requirement in this area. ST Aerospace San Antonio received a ***strength*** for their proposed FAA compliance and capabilities.
10. ST Aerospace San Antonio referenced corporate experience with several MSG-3 maintenance checks with commercial operators; as well as both current and historical heavy checks performed on the DC-8 platform. Current experience included a Heavy C Check LUMP on the Brisair (Ditco S.A.) DC-8 in 2011 and extensive DC-8 maintenance experience on the UPS DC-8 flight program which ended in 2009, which demonstrated significant experience with the Boeing LUMP program on other aircraft platforms as well. ST Aerospace San Antonio received a ***strength*** for their familization and experience with the Boeing LUMP.
11. ST Aerospace San Antonio's Safety & Health Plan was reviewed by the NASA DFRC Safety & Health Office and was determined to be adequate. ST Aerospace San Antonio received a ***meets requirement*** for their Safety & Health Plan.

Technical Evaluation Summary

Technical Rating	AerSale	STA
Significant Proposal Strength	**1**	**3**
Proposal Strength	**7**	**5**
Significant Proposal Weakness	**0**	**0**
Proposal Weakness	**0**	**1**
Proposal Deficiency	**0**	**0**

Business/Price Evaluation

1. Fairness and reasonableness: The proposals received were reviewed by the evaluation team and are/were determined to be fair and reasonable.
2. Accuracy and completeness: The proposals received were reviewed by the evaluation team and were determined to be accurate and complete with the exception of the following:
    a. AerSale proposal contained a minor math error which did not affect the engineering rate of their proposal. The excess quantity error was corrected by the evaluation team and AerSale's overall proposed price was reduced by $175,000.00.
    b. ST Aerospace San Antonio proposal required some minor clarifications to ensure that certain portions of the technical proposal were indeed covered by the base fixed-price requirement in-lieu of the over & above conditional maintenance line items. The minor questions/clarification(s) confirmed the inclusion in the fixed-price effort (e.g. fuel tank inspection and insulation blankets).
3. Consistency with the Technical Proposal: All proposals received were reviewed by the evaluation team and were determined to be consistent with the technical proposals.

4. Establishment of the Evaluated Price: All proposals received were reviewed by the evaluation team. The evaluation team summarized the proposed prices as delineated above.

	AerSale	ST Aerospace San Antonio
Business/Price Factor Proposed	Significantly Higher	Significanly Lower
Business/Price Factor Adjusted	Significantly Higher	Significantly Lower

Past Performance Findings

AerSale Past Performance: High Level of Confidence

Review of AerSale's submitted past performance indicated that they are a heavy MRO provider and that they have performed numerous structural modifications, interior reconfigurations, engine changes, landing gear changes, and dismantling on a variety of transport category aircraft. AerSale's corporate and past performance history is considered highly relevant to this acquisition and received a ***high level of confidence rating.*** They would be able to successfully execute the DC-8 Heavy C Check requirement.

ST Aerospace San Antonio Past Performance: Very High Level of Confidence

Review of ST Aerospace San Antonio's submitted past performance indicated that they are a heavy MRO provider and that they have performed numerous (over 250 redeliveries) of DC-8 aircraft over the past 11 years. Customers included UPS, Jet Aviation, Brisair, and the previous NASA DFRC DC-8 (N817NA) aircraft. ST Aerospace San Antonio's past performance history is considered to be highly relevant to this acquisition and received a ***very high level of confidence rating***. They would be able to successfully execute the DC-8 Heavy C Check requirement.

Past Performance Summary

	AerSale	*ST Aerospace San Antonio
Confidence Rating:	High Level of Confidence	Very High Level of Confidence

*The difference in the past performance rating(s) is based upon the fact that ST San Aerospace San Antonio has significantly more experience servicing and performing heavy maintenance actions on the DC-8 airframe verses AerSale who's past performance history is more generic in terms of heavy maintenance actions.

Overall Evaluation Factor Summary

	AerSale	ST Aerospace San Antonio
Technical Factor(s)	Second	First
Business/Price Factor Proposed	Significantly Higher	Significantly Lower
Business/Price Factor Adjusted	Significantly Higher	Significanly Lower
Past Performance Confidence	High Level of Confidence	Very High Level of Confidence

Source Selection Decision (SSD)

Based upon the findings presented, and considering the evaluation criteria described in the solicitation (e.g. that technical capability and past performance, when combined, are significantly more important than price), I determine the proposal received from ST Aerospace San Antonio to be the best overall value to the Government. This determination reflects ST Aerospace San Antonio's higher number of significant strengths combined with its strengths, an acceptable weakness, highly relevant past performance, and significantly lower proposed and evaluated price. It is the combination of these findings, and not any single factor, that forms the basis for my decision. I further conclude that holding discussions would not likely result in another offeror being able to overcome my decision that the ST Aerospace San Antonio provides the best value to the Government for this requirement. Therefore, I select ST Aerospace San Antonio for the award of a contract resulting from this solicitation without final revisions being requested.

Jim E. Kitahara
Source Selection Official

Sept 18, 2013
Date