Source Selection Statement for the Simulation & Software Technology II Contract NASA Lyndon B. Johnson Space Center (JSC) (Solicitation Number NNJ13471515R)

On April 30, 2014, I met with members of the Source Evaluation Board (SEB) appointed to review proposals for the Simulation & Software Technology II (SST II) Contract. The SEB presented to me their proposal evaluation findings and recommendations. In addition to the SEB, trusted advisors from Procurement, Legal, Safety, Export Control, the Small Business Office and others also attended.

I. PROCUREMENT HISTORY

SST II is a Cost-Plus-Fixed-Fee (CPFF)/Indefinite Delivery Indefinite Quantity (IDIQ) contract. The phase-in effort is Firm-Fixed Price (FFP). This acquisition was conducted under full and open competition procedures. The North American Industry Classification System (NAICS) Code and Size Standard are 541511 and $25.5M, respectively. The basic period of performance for this acquisition is five years with no options. The phase-in period for this acquisition is 45 days prior to contract start. The guaranteed minimum to be ordered under this contract is $800,000 and the maximum which may be ordered under this contract is $143,000,000.

The scope of the SST II effort provides the JSC Engineering Directorate's Software, Robotics, and Simulation Division (SRSD) with space vehicle systems and software expertise and simulation and software technology support in two major domains, (1.0) Simulation and Graphics and (2.0) Spacecraft Software. Within the simulation and graphics domain the contractor shall provide expertise in the fields of (1.1) Trick Simulation Math Models and Applications (1.2) Simulation Products and (1.3) Virtual Reality. Within the spacecraft software domain the contractor shall provide expertise in the fields of (2.1) System Engineering and Integration (2.2) Software Engineering Analysis Test Bed (2.3) Guidance, Navigation, and Control Software Development and (2.4) Advanced Robotics Software.

On May 3, 2013, the SEB posted the current Simulation and Software Technology Contract SOW and a Request for Information (RFI) / Sources Sought Synopsis was issued to solicit comments from industry regarding acquisition strategies. Industry was invited to respond to several attachments, as applicable. On June 25, 2013, JSC held a Virtual Industry Day and One-on-One meetings virtually with industry on June 25-26, 2013. The SST II pre-solicitation synopsis was posted on August 21, 2013 informing industry of NASA/JSC's plan to issue a Draft Request for Proposal (RFP) followed by a Final RFP.

On September 27, 2013, the Contracting Officer issued Draft RFP sections C, L, and M. Questions and/or comments regarding the draft sections C, L, and M were due October 11, 2013. Four questions were received in response to the draft sections C, L, and M.

On November 15, 2013, the Contracting Officer issued the Final RFP. Questions and/or comments regarding the Final RFP were due December 9, 2013. Past performance volumes

were requested early on January 10, 2014 but were not officially due until the proposal due date of February 24, 2014. Fourteen questions were received in response to the Final RFP.

On December 5, a pre-proposal conference as well as a Technology Demonstration was held. Questions were solicited and answered during the pre-proposal conference and subsequently posted to the SST II procurement website. Three questions were received during the pre-proposal conference.

On February 20, 2014, the board received a proposal from L-3 National Security Solutions. All proposals were due February 24, 2014. No other proposals were received.

II. EVALUATION PROCEDURES

The RFP stated that the proposals would be evaluated by a Source Evaluation Board (SEB) in accordance with applicable regulations including the Federal Acquisition Regulation (FAR) and the NASA FAR Supplement. The SEB carried out the evaluation activities and reported its findings to me, the Source Selection Authority (SSA). As the SSA, I am responsible for making the source selection decision.

As stated in the RFP, the SEB conducted an initial review to determine acceptability of the proposal in accordance with NASA FAR Supplement (NFS) 1815.305-70, Identification of Unacceptable Proposals. The Contracting Officer in consultation with the SEB determined the L-3's proposal to be acceptable.

Following the initial review of the proposal, the SEB evaluated the proposal against the evaluation criteria defined in the RFP. The RFP at M.4 defined the evaluation criteria as a combination of mission suitability, past performance and cost/price evaluation factors. M.4 further stated that, "Mission Suitability and Past Performance when combined are more important than cost. Mission Suitability is more important than past performance. Past Performance is more important than cost."

Additionally, RFP provision M.3 Award Without Discussions stated, "The proposals will be evaluated in accordance with procedures prescribed by the FAR and the NFS. As prescribed in the FAR 52.215-1, the Government intends to award based on initial proposals, without discussions. Therefore, the Offeror's initial proposal should contain the Offeror's best terms. The Government reserves the right to determine if discussions are required and if so, an establishment of a competitive range may be necessary. Consequently, the most highly rated proposals will be included in the competitive range."

The SEB evaluated L-3's proposal using the factors and subfactors defined in the RFP. Although the proposal was organized by factors and subfactors, the SEB conducted an integrated evaluation to consider consistency among proposal information.

Therefore, all aspects of the proposal were considered during the evaluation process, including the proposed Model Contract.

Of these evaluation factors, only Mission Suitability was scored numerically in the evaluation process. The Mission Suitability subfactors and their corresponding weights reflecting relative importance are listed below.

Mission Suitability	**Weight (pts)**
Subfactor 1 Management Approach and Plans	300
Subfactor 2 Technical Approach	500
Subfactor 3 Small Business Utilization	100*
Subfactor 4 Safety and Health Plan	100
TOTAL	**1000**

*Small Business Offerors receive full 100 points.

For Past Performance, the SEB used past performance information from proposal data required by provisions of Section L, information obtained by the SEB team based on communications with listed references, as well as data independently obtained from other government and commercial sources, such as the Past Performance Information Retrieval System and similar systems of other governmental departments and agencies, interviews with client program managers and contracting officers, and other sources known to the Government, including commercial sources.

The RFP stated that a performance confidence rating would be assessed at the overall factor level for Past Performance after evaluating aspects of the Offeror's recent and relevant past performance. Past Performance was assigned confidence ratings of Very High Level of Confidence, High Level of Confidence, Moderate Level of Confidence, Low Level of Confidence, Very Low Level of Confidence, or Neutral.

In accordance with the RFP, the SEB performed a price and cost analysis to include a cost realism analysis, in accordance with FAR 15.305 Proposal Evaluation, FAR 15.404 Proposal Analysis, and NASA FAR Supplement (NFS) 1815.305 Proposal Evaluation to ensure that the final agreed-to prices are sound, fair, and reasonable.

The RFP stated that for evaluation and selection purposes, the Government would evaluate the Offeror's proposed contract year one task order labor and non-labor resources. For years 2 through 5, the SEB straight-lined the labor and non-labor resources to arrive at a probable cost.

For the Firm-Fixed Price (FFP) Phase-In portion of the contract, the RFP stated Fixed Price proposed for phase-in would only be subject to price analysis. The price of phase-in would be compared to the proposed prices of other Offerors to establish that the price is reasonable. An unreasonable phase-in price could be addressed in discussions.

III. EVALUATION OF L-3's PROPOSAL

NASA issued the RFP on November 15, 2013, and received one proposal by the proposal due date of February 24, 2014. The Offeror is listed below:

L-3 National Security Solutions (L-3)

In accordance with NASA FAR Supplement 1815.305-71, if only one proposal was received in response to the solicitation, the Contracting Officer shall determine if the solicitation was flawed or unduly restrictive and determine if the single proposal is an acceptable proposal. Based on these findings, the SSA shall direct the Contracting Officer to one of the following: (1) Award without discussions provided the Contracting Officer determines that adequate price competition exists; (2) Award after negotiating an acceptable contract; or (3) Reject the proposal and cancel the solicitation.

EVALUATION OF A SINGLE PROPOSAL

1. The SST II Solicitation Was not Flawed or Unduly Restrictive

In accordance with NFS 1815.305-71(a), the Contracting Officer re-reviewed the RFP and determined the solicitation was not flawed or unduly restrictive based upon the following discussion.

During extensive communications/pre-solicitation activities between NASA/JSC and potential Offerors, from the posting of the current SSTC SOW and RFI/Sources Sought Synopsis through the proposal due date, no prospective Offeror intimated or claimed that the RFP was flawed or unduly restricted. Communications/pre-solicitation activities with prospective Offerors included:

- The SSTC Statement of Work (SOW) was posted to the SST II website on May 3, 2013. A RFI/Sources Sought Synopsis was issued on May 3, 2013 and ten responses were received. In addition to the responses, the SEB received 5 questions in response to the RFI/Sources Sought Synopsis.
- A Virtual Industry Day was held on June 25, 2013 in which 26 companies RSVP'd, and 18 companies participated, including L-3.
    - Six companies requested and received one-on-one communications which were held June 25-26, 2013.
    - Thirty-three companies were listed on the Interested Parties List which was posted to the website on June 27, 2013.
    - The SEB received and answered 47 questions in response to Industry Day. Based on the nature of the questions, the questions were received from companies other than L-3. These questions and answers were posted to the website on August 22, 2013.
    - The SST II Pre-solicitation Synopsis was issued and posted on August 21, 2013.
- The Draft RFP Sections C, L, and M were released and posted to the SST II website on September 27, 2013. The SEB received and answered 4 questions which were posted on October 30, 2013.

- Sixty-four technical documents were uploaded to the Technical Library, which was posted on the SST II website, on September 27, 2013. Additionally, five companies requested access to the Technical Library.
- The Final RFP was released on November 15, 2013, with a proposal due date of February 24, 2014. The SEB received and answered fourteen questions which were posted on December 17, 2013 via a RFP amendment.
- Twelve companies participated in the SST II Pre-proposal Conference and Technology Demonstration, which was held on December 5, 2013. The SEB received and answered three questions which were posted on December 13, 2013.

2. **L-3's Proposal Was Acceptable**

In accordance with NFS 1815.305-70, Identification of Unacceptable Proposals, the Contracting Officer determined that the proposal received was initially acceptable. L-3 National Security Solutions submitted a complete proposal that represented a reasonable initial effort to address the essential requirements. The proposal did not contain major deficiencies or omissions or out-of-line costs which discussions with the Offeror could not reasonably be expected to cure. During the SEB's initial evaluation of L-3's proposal, it was determined that the proposal complied with the RFP with the exception of 2 graphs on two different pages. The SEB determined the text within the graphs to be illegible and, in accordance with the RFP, returned those pages to the Offeror without evaluation. Although, the SEB returned these pages, this action did not prejudice the SEB' s evaluation of L-3's proposal and even without the documents, the SEB determined L-3's proposal to be acceptable.

3. **Adequate Price Competition**

In accordance with FAR 15.403-1(c)(1)(ii), There was a reasonable expectation, based on market research or other assessments, that two or more responsible Offerors, competing independently, would submit priced offers in response to the solicitation's expressed requirement. Even though only one offer was received, the Contracting Officer reasonably concluded that the offer was submitted with the expectation of competition. This determination is based on the following discussion.

Multiple questions were received and answered in response to the RFI/Sources Sought Synopsis, Industry Day, the Draft RFP, Final RFP and the Pre-proposal Conference. These questions and answers were posted to the SST II procurement external website via modifications to the pre-solicitation synopsis, and amendments to the Final RFP. Some of these questions resulted in changes to the Final RFP.

An Interested Parties List was posted with more than 30 companies, with at least two having known relevant or somewhat relevant experience. Potential Offerors made input relative to proposal page count. As a result, the page count was reduced from 350 to 250. There was also concerns regarding the initial proposal due date of December 20, 2013. Companies, other than L-3, expressed concern that the proposal due date would interfere with proposals in response to solicitations elsewhere within the government. As a result the proposal due date was extended to February 24, 2014, giving industry 101 days to develop and submit a proposal. For all these reasons, I find that L-3 believed it was proposing in a competitive environment.

As stated above, multiple companies, including L-3, participated in communications and pre-solicitation activities. The Contracting Officer, in consultation with the SEB, made a determination to return proposal pages to L-3 because of illegible text. L-3 asked for reconsideration of the determination because they were concerned with losing relevant text contained on those pages. The SEB denied this request. Because of this, the Contracting Officer concluded that L-3 believed at least one other Offeror was capable of submitting a meaningful offer and L-3 had no reason to believe that other potential Offerors did not intend to submit an offer. This conclusion is also supported by the fact that L-3 submitted a reasonable proposal with a cost/price that was below the Government Resource Estimate (GRE).

After determining the solicitation was not flawed or unduly restrictive and there was adequate price competition, the SEB then turned to the full evaluation of the proposal. The SEB applied the established numerical weights and produced a Mission Suitability score within the adjectival rating developed for each proposal. To arrive at the adjectival rating for Past Performance, the SEB relied on the performance data provided in each proposal and information obtained for the relevant contracts identified in the proposals, as well as other past performance information available to the SEB. The SEB performed an evaluation of the Offeror's cost. On April 30, 2014, the SEB presented their findings to me as the SSA.

After reviewing its proposal, the SEB awarded L-3 935 points out of a possible 1000. The SEB found L-3's Mission Suitability to be "Very Good" in Management and Approach Plans and Small Business Utilization; "Excellent" in Technical Approach and Safety and Health Plan.

MISSION SUITABILITY EVALUATION

L-3 received an overall proposal adjectival rating of "Excellent". L-3 received a rating of "Very Good" for Management Approach and Plans and a rating of "Excellent" for Technical Approach. L-3 also received a "Very Good" for Small Business Utilization and "Excellent" for Safety and Health Plan. L-3's overall proposal contained a total of five significant strengths, fifteen strengths, and two weaknesses. L-3 received no significant weaknesses.

Under the Overall Management Approach, L-3 received a significant strength for its innovative approaches for up staffing and down staffing while continuing to retain critical skills and avoiding impacts to other JSC projects and for its feasible and effective employee training.

Under the Technical Approach, L-3 received significant strengths for demonstrating a comprehensive understanding of the stakeholders, scope, facilities, simulation products, and models associated with contract requirements; the creation of innovative code and tools to significantly improve the development, performance, and efficiency of simulation products and processes; and for demonstrating a comprehensive understanding of the underlying capabilities required for an agile software development approach.

Under the Small Business Utilization subfactor, L-3 received one strength for its proposed use of a database of prescreened subcontractors which increases the likelihood that it will utilize small businesses with the right skills and capabilities to perform the requirements of SST II. L-3 received no significant strengths, weaknesses or significant weaknesses under this sub-factor.

Under Safety and Health Plan, L-3 received a significant strength for their proactive, effective, and efficient approach to Safety and Health.

PAST PERFORMANCE EVALUATION

In considering past performance, the SEB utilized several information sources to evaluate L-3's past performance. Information sources used included (1) Narratives provided by the Offeror in the Past Performance Volume (2) Completed past performance questionnaires submitted by the Offeror's customers on work similar to SST II (3) Conversation with customers, Contracting Officers, and Task Managers (4) The Past Performance Information Retrieval System (PPIRS) and (5) OSHA logs, underwriter letter, and the OSHA website.

The SEB evaluated the three past performance narratives, references in Past Performance Information Retrieval System (PPIRS), Past Performance Questionnaires, safety and quality assessment in developing a Confidence Rating in accordance with NFS 1815.305(a)(2)(A).

Overall, the L-3 team has had excellent performance on its very relevant past performance efforts. Combined with an overall acceptable quality rating, an excellent safety rating, within recency requirements, and overall past performance very relevant to all SST-II SOW elements, there is a Very High Level of Confidence that L-3 will successfully perform the required effort.

COST/PRICE EVALUATION

The SEB performed a cost realism analysis of the proposed IDIQ direct labor rates and resources, and developed a probable cost estimate for the Sample Task Orders. L-3's total proposed costs were lower than the Government Resource Estimate (GRE). The proposed Fully-Burdened Rates (FBRs) for the entire period of performance were evaluated and determined to be acceptable. The SEB also evaluated the reasonableness of the non-labor resources and determined them to be acceptable.

IV. DECISION

As the SSA for SST II, I agree with the Contracting Officer's determination that the solicitation was not flawed or unduly restrictive. This conclusion is supported by the extensive and public communications, via the SST II website, with industry during the lead up to proposal evaluation. The Contracting Officer posted the current Simulation and Software Technology Contract Statement of Work before the release of the final SST II RFP and she also issued a RFI/Sources Sought Synopsis in which the SEB received 10 responses and 5 questions. JSC held a Virtual Industry Day where 26 companies RSVP'd and 18 companies participated. The SEB held follow on one-on-one communications with six of those companies. As a result of Industry Day, the SEB received and responded to 47 questions from interested parties. The Contracting Officer publicly posted the Interested Parties List consisting of 33 companies, via the SST II website. The Contracting Officer also posted a Pre-Solicitation Synopsis, Draft RFP Sections, posted 64 documents in the Technical Library and the final RFP. After the Contracting Officer released the final RFP, interested parties (including prospective offerors other than L-3) submitted 14 questions to which the SEB responded and posted publicly on the SSTII website. Finally, the

SEB held a Pre-Proposal Conference in which 12 companies participated. The Contracting Officer received questions throughout these processes from L-3 and other prospective offerors. None of the communication with the Contracting Officer stated or otherwise implied that prospective Offerors believed the solicitation to be flawed or unduly restrictive.

Additionally, based on the number of parties expressing interest in the procurement, the number of one-on-one briefings the SEB conducted after Industry Day, and because 12 parties participated in the Pre-Proposal Conference, I find the Contracting Officer had a reasonable expectation that two or more responsible offers would submit priced proposals in response to the SST II RFP and reasonably concluded that L-3 submitted their proposal with the expectation of competition. The SEB publicly communicated with interested parties throughout the competition including communications with prospective Offerors other than L-3 which resulted in the overall proposal page count being reduced from three-hundred fifty pages to two-hundred fifty pages and an extension of the proposal due date. Furthermore, L-3 requested reconsideration when the Contracting Officer returned two pages of its proposal (legibility) expressing concern over the exclusion of the pages. Finally, the interested parties list published on the SEB's website and available to all Offerors included companies with known relevant or somewhat relevant experience. For the above reasons, I agreed with the Contracting Officer's determination pursuant to FAR 15.403-1(c)(1)(ii) that L-3's offer was submitted with the expectation of competition. I determine that L-3 believed that at least one other Offeror was capable of submitting a meaningful offer. This conclusion is further supported by the fact that L-3's proposed cost was competitively priced below the Government Resource Estimate (GRE) and proposed resources were in line with the GRE.

Having agreed with the Contracting Officer and determined that the solicitation was not unduly flawed or restrictive and that there was a reasonable expectation that two or more responsible Offerors, competing independently, would submit priced offers in response to the SST II solicitation even though only one offer was received, I turned to the evaluation of the proposal.

The solicitation states, "Mission Suitability and Past Performance when combined are more important than cost. Mission Suitability is more important than past performance. Past Performance is more important than cost." Under the Mission Suitability factor, I agree with the "Very Good" rating the SEB awarded L-3 for its Management Approach and Plans. I agreed with the SEB that L-3's proposal regarding the scalability of its workforce to meet the Government's increased or decreased need was of exceptional merit. L-3's plan to retain and attract critical skills provided me assurance that L-3 would continue to meet the requirements of SST II throughout the effective period of the contract. I found value in L-3's proposed critical skills database which provides L-3 a "reach-out" capability during upswings in work. Also, L-3's training provided to "new-hires" reduces the amount of time required to become productive on task order work.

Additionally, I agreed with the SEB's determination that L-3's Technical Approach and Safety and Health Plan was "Excellent." I found significant benefit to the Government in L-3's Technical Approach. L-3 was very detailed and thorough in its proposal which demonstrated a comprehensive understanding of JSC's requirements which significantly increases the likelihood of successful contract performance. To that end, I also found exceptional value in the innovative tools and code L-3 proposed. These proposed innovations do not merely utilize the state of the

art but advance it. These innovations should provide the Software, Robotics, and Simulation Division with effective and efficient modeling and simulation.

I noted the SEB awarded L-3 one-hundred points out of a possible one-hundred points for its Safety and Health Plan. L-3's plan was complete and effective. L-3 proposed a proactive safety and health program, promoted active management and employee participation in all aspects of its safety program and demonstrated a complete understanding with effective and appropriate mitigation of the worksite hazards associated with the SST II contract.

I disagreed with the SEB's determination that L-3's Small Business Utilization (SBU) was "Very Good." I noted that L-3 received one strength associated with its internal Supplier Management System of prescreened small business subcontractors. I found this one strength to be of merit but did not warrant a "Very Good" adjectival rating. Rather, I found L-3's SBU to be in the range of "Good." The SEB agreed with my determination. Even so, the SEB determined and I agreed that L-3's SBU score would be such that its Mission Suitability adjectival rating remained at the "Excellent" level.

I noted that L-3 had two Mission Suitability weaknesses. The first weakness was in L-3's Technical Approach. I agreed with the SEB that modeling requirements such that they mirror vehicle design can, under certain conditions, decrease efficiency. The second weakness was in L-3's Management Approach. I determined that L-3 failed to fully account for and describe how duties would be allocated and performed in the case of the departure of the proposed Program Manager. While I agreed with the board that these findings constituted weaknesses in L-3's proposal, I found it unlikely that significant additional value to the Government could be realized through holding discussions and were flaws that could easily be remedied during phase-in or early in contract performance.

Under the Past Performance factor, I noted L-3 received an adjectival rating of "Very High" level of confidence. I agreed with the SEB's determination and based my decision on L-3's and its subcontractor's excellent ratings on a contract of similar size, scope, magnitude and complexity to SST II. I also noted that the OSHA data provided by L-3 demonstrated its commitment to safety and a strong likelihood of safe contract performance. L-3's Past Performance leads to a "Very High" level of confidence that L-3 will successfully perform the contract requirements of SST II.

As indicated above, I agree there was adequate price competition. The SEB performed a cost realism analysis of the proposed IDIQ direct labor rates and resources, and developed a probable cost estimate for the Sample Task Orders. L-3's total proposed costs were lower than the GRE. The proposed FBRs for the entire period of performance were evaluated and determined to be acceptable. The SEB also evaluated the reasonableness of the non-labor resources and determined them to be acceptable and I concurred with its assessment.

In accordance with the RFP, the Government's stated intent was to award without discussions to the Offeror providing the best value to the Government. In reaching my decision, I considered the SEB's evaluation and recommendation and the inputs of my advisors. After having already determined the solicitation to not be flawed or unduly restrictive and that adequate price competition existed, I find that it is appropriate to award SST II to L-3 without conducting

discussions. L-3 submitted an excellent proposal which demonstrated good value to the Government. L-3's approach gives me high confidence that it will successfully perform the SSTII Contract. My decision is based solely on and is wholly consistent with the selection criteria and evaluation framework, including the relative importance of the factors and subfactors as stated in the solicitation. Therefore, I select L-3 National Security Solutions for award of the Simulation and Software Technology II Contract and direct the Contracting Officer to award the contract to L-3 without discussions.

Melanie W. Saunders

Melanie W. Saunders
Source Selection Authority (SSA)

5-16-14
Date