Source Selection Statement
Electronics, Mechanical, and Composites Fabrication Support Services (EMCHFSS) II RFP: NNL14ZB1002R

On January 16, 2015 the Source Evaluation Team (SET) for the EMCHFSS II procurement presented its findings to me in a formal source selection briefing.

Background

The purpose of the EMCHFSS II contract is to procure on-site support services to NASA LaRC for fabrication of research-oriented and one of a kind test articles for ground support, aircraft, spaceflight, laboratory, science, and research facility requirements. The contract will be an Indefinite Delivery/Indefinite Quantity (IDIQ) Cost-Plus Fixed Fee contract. All work assignments will be made by the issuance of Task Orders (TOs).

A Procurement Strategy Meeting was held on April 25, 2014 at Langley Research Center and the procurement strategy was subsequently approved. The procurement was conducted as a 100% small business set-aside. A Draft Request for Proposal (DRFP) was issued on July 14, 2014 for comments from industry, a Pre-Solicitation Conference was conducted on July 29, 2014, and the final RFP was released on August 12, 2014.

The following companies responded to the RFP by the due date of September 12, 2014:

- Nakuuruq Corporation
- Sierra Lobo Incorporated (SLI)
- Science and Technology Corporation (STC)

Evaluation Factors

The appointed SET conducted an evaluation of proposals received in response to the RFP. The evaluation was conducted in accordance with the evaluation factors contained in Section M of the RFP. The RFP set forth the following three evaluation factors:

Factor 1: Mission Suitability
Factor 2: Cost/Price
Factor 3: Past Performance

The RFP stated the contract would be awarded to the Offeror whose proposal represents the best value to the Government based on the evaluation of Mission Suitability, Cost/Price and Past Performance. The RFP also provided that award could be made without discussions. Each evaluation factor was essentially equal in importance, and that all evaluation factors other than Cost/Price, when combined, were significantly more important than Cost/Price.

Factor 1 – Mission Suitability

The Mission Suitability Subfactors and their weights are as follows:

Subfactor 1 - Understanding the Requirement and Technical Approach (URTA) 600

1. Electronics Fabrication
2. Mechanical Fabrication
3. Composites Fabrication

Subfactor 2 - Management (MGMT) 400

1. Approach to Staffing including incumbent retention, recruiting, total compensation plan, surging and declining workloads
2. Automated Task Order System
3. Approach to Managing the Contract

The SEB used the following adjectival and numerical ratings from NASA FAR Supplement (NFS) 1815.305(a)(3)(A) in its evaluation of the Mission Suitability Factor:

ADJECTIVAL RATING	DEFINITIONS	PERCENTILE RANGE
Excellent	A comprehensive and thorough proposal of exceptional merit with one or more significant strengths. No deficiency or significant weakness exists.	91-100
Very Good	A proposal having no deficiency and which demonstrates over-all competence. One or more significant strengths have been found, and strengths outbalance any weaknesses that exist.	71-90
Good	A proposal having no deficiency and which shows a reasonably sound response. There may be strengths or weaknesses, or both. As a whole, weaknesses not off-set by strengths do not significantly detract from the Offeror's response.	51-70
Fair	A proposal having no deficiency and which has one or more weaknesses. Weaknesses outbalance any strengths.	31-50
Poor	A proposal that has one or more deficiencies or significant weaknesses that demonstrate a lack of overall competence or would require a major proposal revision to correct.	0-30

Definitions: The definitions used for classification of findings are as follows:

Deficiency is a material failure of a proposal to meet a Government requirement or a combination of significant weaknesses in a proposal that increases the risk of unsuccessful contract performance to an unacceptable level.

Weakness means a flaw in the proposal that increases the risk of unsuccessful contract performance.

Significant Weakness in the proposal is a flaw that appreciably increases the risk of unsuccessful contract performance.

Strength: An aspect of the proposal that increases the probability of successful contract performance.

Significant Strength: An aspect of the proposal that appreciably increases the probability of successful contract performance.

Factor 2 – Cost/Price

The RFP does not provide for adjectival ratings or numerical scores under the Cost/Price Factor; however, the SET evaluated the proposals in accordance with Section M of the RFP.

In accordance with FAR 15.404-1(b), the Government conducted a price analysis by evaluating the prices proposed in response to this solicitation. Specifically, the evaluations included, but was not limited to, comparing the prices proposed in response to this solicitation and comparing the proposed prices to the independent Government cost estimate.

Furthermore, in accordance with FAR 15.404-1(d), the Government conducted cost realism analysis by independently reviewing and evaluating specific elements of each Offeror's proposed cost estimate to determine whether the estimated proposed cost elements are realistic for the work to be performed; reflect a clear understanding of the requirements; and are consistent with the unique methods of performance and materials described in the Offeror's technical proposal. The Government derived a probable cost, which was determined by adjusting each Offeror's proposed cost, to reflect any additions or reductions in cost elements to realistic levels based on the results of the cost realism analyses performed. The probable cost reflected the Government's best estimate of each Offeror's proposal and was used for the purposes of evaluation to determine the best value.

Factor 3 – Past Performance

Under the Past Performance Factor the Source Evaluation Board assessed each Offeror's current/recent record (including the record of any significant subcontractors, but not the past performance of individuals who were proposed to be involved in the required work), of performing services or delivering products as demonstrated on the individual contracts offered for relevance, that were similar in size, content, and complexity to the requirements of this solicitation. The Government evaluated the past performance of the prime and each significant subcontractor considering the amount and type of work each firm is proposed to perform. The confidence rating assigned to Past Performance reflects consideration of information contained in the proposal, past performance evaluation input provided through customer questionnaires, and data NASA obtains from other sources. All offerors had relevant past performance, therefore, no offeror received a neutral rating.

Each of the confidence ratings below has a "performance" component and a "pertinence" component. The Offeror must meet the requirements of both components to achieve a particular rating. In assessing pertinence, the Government did consider the degree of similarity in size (in dollars per year), content, and complexity of each individual contract to the requirements in this solicitation, as well as the recency and duration of the past performance.

In assessing performance, the Government made an assessment of the Offeror's overall performance record. The Government evaluated the Offeror's past performance record for meeting technical, schedule, cost, management, occupational health, safety, security, overall mission success, subcontracting goals, and other contract requirements. Isolated or infrequent problems that were not severe or persistent, and for which the Offeror took immediate and appropriate corrective action, did not reduce the Offeror's confidence rating. On the other hand, confidence ratings would have been reduced when problems were within the contractor's control and were significant, persistent, or frequent, or when there was a pattern of problems or a negative trend of performance, however this was not a factor in this performance evaluation as none of the offerors had these performance problems.

Rating Definitions

The SEB used the following confidence level ratings to evaluate the Past Performance Factor (NFS 1815.305):

Very High Level of Confidence
The Offeror's relevant past performance is of exceptional merit and is very highly pertinent to this acquisition, indicates exemplary performance in a timely, efficient, and economical manner and 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. (One or more significant strengths exist. No significant weaknesses exist.)

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. Offeror's past performance indicates that contract requirements were accomplished in a timely, efficient, and economical manner for the most part, with only minor problems that had 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. (One or more significant strengths exist. Strengths outbalance any weakness.)

Moderate Level of Confidence
The Offeror's relevant past performance is pertinent to this acquisition, and it demonstrates effective performance. Performance was fully responsive to contract requirements; there may have been 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. (There may be strengths or weaknesses, or both.)

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. Offeror achieved adequate results; there may have been 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. (One or more weaknesses exist. Weaknesses outbalance strengths.)

Very Low Level of Confidence
The Offeror's relevant past performance does not meet minimum acceptable standards in one or more areas; remedial action was required in one or more areas. Performance problems occurred in one or more areas which, adversely affected 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. (One or more deficiencies or significant weaknesses exist.)

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)].

Evaluation Procedures

Prior to issuance of the RFP, an SET was appointed to conduct an evaluation of proposals received in response to the RFP. The SET conducted the evaluation of proposals in accordance with Section M of the RFP. The SET began its evaluation upon receipt of the Past Performance Volumes (Volume III), which were received from the Offerors prior to the proposal due date. The SET members reviewed each Offeror's Past Performance Proposal, all of the past performance questionnaires, and information obtained from the Past Performance Information Retrieval System (PPIRS) as applicable. The SET considered all the "performance" and "pertinence" findings in assigning an adjectival rating for each Offeror as defined in the RFP. The SET evaluated each contract that each Offeror submitted by comparing the description of the contract within the Offeror's past performance proposal to the work (by SOW area) on the EMCHFSS II contract. For each SOW area, the SET assessed the pertinence of each submitted contract and assigned a pertinence rating consistent with the pertinence definitions in the NFS. The SET then assigned an overall pertinence rating for each contract based on an integrated assessment of the size, content (SOW area ratings) and complexity of each contract in relation to the EMCHFSS II contract. The SET then utilized these integrated pertinence assessments along with the SET's assessments of the Offeror's performance ratings to assign an overall past performance confidence level based on the definitions in the NFS.

Upon receipt of the Technical Proposal (Volume I) and the Business Proposal (Volume II), the SET conducted an initial review of each Technical Proposal and the Cost/Price Analyst reviewed the Business Proposal to determine if any were unacceptable proposals as defined in NASA FAR Supplement 1815.305-70. The Contract Specialist reviewed each model contract, applicable terms and conditions and Representations and Certifications for each Offeror. All proposals were found to be acceptable and warranted a full evaluation.

The SET members performed a detailed individual review of each of the Offeror's Technical Proposal and documented strengths and weaknesses for each Mission Suitability subfactor. The SET consultants also independently reviewed specific areas of each proposal relevant to the factor for which they possess subject matter expertise and provided input to the SET voting members for consideration. After completion of the individual evaluations for each subfactor, the SET convened to discuss individual Findings and to develop consensus on strengths and weaknesses including whether any rose to the level of significant for each of the Offerors. The SET then reviewed the Findings for each Offeror to ensure that all proposals were evaluated consistently and objectively. Upon completion of the evaluation of all subfactors for all Offerors, the SEB assigned adjectival ratings and percentage scores to each subfactor based on the consensus findings, calculating a point score for each subfactor by multiplying the assigned percentage score and the available points, then summing the subfactor point scores to derive the overall Mission Suitability point score in accordance with NFS 1815.305.

The SEB reviewed each Offeror's Business proposal to determine whether the costs proposed were reasonable, realistic and consistent with the technical approach. The cost proposals were assessed to ensure compliance with the Cost/Price evaluation factor. The SEB provided the results of its review to the NASA Cost/Price Analyst who incorporated the results into the detailed analysis of the Offerors' cost proposals and probable cost.

The Contracting Officer carefully reviewed the facts presented in the initial findings and discussed the findings with the SEB. In accordance with FAR 52.215-1(f) (4), based on the initial findings of the SEB it was evident that the potential for an award without discussions existed. Therefore, no Competitive Range was determined and the SEB met with me, the Source Selection Authority, on January 16, 2015 to present its findings.

Evaluation Findings

Factor 1 – Mission Suitability

Set forth below is a summary of the Mission Suitability Findings for the Offerors:

Nakuuruq

Nakuuruq received a Mission Suitability score of 572. Nakuuruq's proposal included strengths, weaknesses and a significant weakness summarized below.

Subfactor 1, Understanding the Requirement and Technical Approach

Nakuuruq received an adjectival rating of Good for Subfactor 1.

Electronics Fabrication

Nakuuruq received a Strength for its thorough approach and understanding for electronics fabrication in the population of printed circuit boards in the development of electronic packages. Nakuuruq had a unique plan for recertification and training in military workmanship and American National Standards Institute (ANSI) electronics standards. These standards are universally recognized and compatible with the NASA workmanship standards under PWS section 1.5. Nakuuruq's plan provided a resource for employees regarding questions or problems with electronics fabrication.

Nakuuruq received a Strength for its thorough approach to the quality assurance of flight quality electronics packages that assured access to key technical information. This demonstrated that Nakuuruq recognized that quality and repeatability are important for the fabrication of quality electronics, and it is likely to reduce the probability of nonconforming hardware and the time required to troubleshoot difficult technical problems.

Nakuuruq received a Weakness related to the process and approach for fabrication of cable harnesses.

Mechanical Fabrication

Nakuuruq received a Strength for its thorough approach to welding for fabrication of metallic research hardware. This approach provided confidence that Nakuuruq has the necessary quality assurance methodology in welding. Nakuuruq also had an approach to readily address welding problems and provide training to technicians. The approach indicated an understanding of welding processes that will help to mitigate potential problems, ensure parts are welded correctly, and ensure that technical objectives are met on schedule.

Nakuuruq received a Strength for its demonstration of a very thorough process and approach for fabrication of metallic research hardware in general. Nakuuruq's proposal discussed important specialized machining processes involved in metallic machining and fabrication and would likely prevent delivery of non-conforming hardware.

Nakuuruq received a Weakness for not differentiating a process or approach for fabrication of metallic research hardware ranging from critical space flight quality hardware to less critical research hardware that include one-of-a-kind and iterative research hardware requirements.

Composite Fabrication

Nakuuruq received a Strength for demonstrating a very thorough understanding of the processes and a good approach for fabrication and instrumentation of research oriented composite models. Nakuuruq demonstrated understanding of the unique processes in composite technology and demonstrated a very thorough understanding of the processes and approach to the instrumentation of wind tunnel models.

Subfactor 2, Management

Nakuuruq received an adjectival rating of Fair for Subfactor 2.

Approach to Staffing including incumbent retention, recruiting, total compensation plan, surging and declining workloads

Nakuuruq received a Weakness for its approach for staffing the contract including incumbent retention. This introduced technical risk in the event that highly skilled and experienced employees are not available to support LaRC missions.

Nakuuruq received a Weakness for not adequately demonstrating an approach to recruiting highly qualified personnel. Part of Nakuuruq's plan in this area was not included in its proposal in a way that it could be considered. This precluded the ability to adequately determine Nakuuruq's capability to recruit highly qualified candidates which would impact successful performance in all aspects of fabrication support services.

Nakuuruq received a Strength for demonstrating a thorough approach to responding to surging workload requirements to adapt to changing missions, requirements, and funding fluctuations without adversely affecting ongoing work. Nakuuruq recognized the need for flexibility and demonstrated a multitude of resources that are likely to make available skilled technical workforce for surging requirements.

Automated Task Order System

The SEB had no findings in this area.

Approach to Managing the Contract

Nakuuruq received a Significant Weakness based on its approach to staffing the contract and efficiently and effectively managing the contract requirements (including subcontract management). The approach required NASA to coordinate with multiple points-of-contact for various management responsibilities which adds risk to performance in a dynamic work environment. In addition, the large number of responsibilities on a key Manager introduced performance risk in technical and management. This approach to staffing and managing the contract appreciably increased the risk.to successful contract performance and therefore rose to the level of a significant weakness.

SLI

SLI received a Mission Suitability score of 758. SLI's proposal included a significant strength, strengths, and weaknesses summarized below.

Subfactor 1, Understanding the Requirement and Technical Approach

SLI received an adjectival rating of Very Good for Subfactor 1.

Electronics Fabrication

SLI received a Significant Strength for demonstrating a comprehensive process, approach and understanding of surface-mount technology and plated through hole for population of printed circuit boards for the development and quality assurance of flight quality electronic packages. SLI demonstrated an understanding of the uses and environment of each assembly method. Further, SLI demonstrated a solid understanding of the use of applicable NASA workmanship standards involved in the population of PCBs. SLI demonstrated an understanding of the stringent standards for multilayer PCBs for flight quality electronic packages from EEE components to PC board layout.

SLI received a Strength for demonstrating a thorough process and approach of the fabrication of cable harnesses for the development and quality assurance of flight quality electronic packages. SLI's approach recognizes the end use application of the cable harnesses. SLI's process described in detail the considerations required when fabricating cable harnesses, which demonstrated an understanding of the technical complexities involved in cable harness fabrication. Further, SLI demonstrated a solid understanding of the use of applicable NASA workmanship standards involved in cable harness fabrication.

SLI received a Strength for demonstrating a thorough understanding of potential problems and solutions applicable to electronics fabrication specifically addressing several aspects that maintain configuration control and provided traceability for critical flight quality hardware.

Mechanical Fabrication

SLI received a Strength for demonstrating a thorough process and approach for fabrication of metallic research hardware ranging from critical space flight quality hardware in accordance with engineering drawings to less critical research hardware. SLI's approach to iterative and one-of-a-kind mechanical fabrication specifications indicated that SLI was flexible to changes common in a concurrent engineering environment and understood the differences between highly complex fully defined requirement with strict configuration controls and less than fully defined requirements from sketches.

Composites Fabrication

SLI received a Weakness for not adequately demonstrating an a process or approach for fabrication of research oriented composites models and hardware, utilizing composite model maker techniques for laying up composite material into a finished scaled composite model.

Subfactor 2, Management

SLI received an adjectival rating of Good for Subfactor 2.

Approach to Staffing including incumbent retention, recruiting, total compensation plan, surging and declining workloads

SLI received a Weakness for its approach for staffing the contract. The approach introduced technical risk in the event that highly skilled and experienced employees are not available to support LaRC missions. SLI stated its intent to capture a very high rate of the incumbent personnel; however this was inconsistent with the low direct labor rates proposed for a significant number of key labor categories. Further, SLI did not explain the relationship between the supporting methodology provided for the development of the its starting labor rates and its labor rates proposed. It was not evident that SLI utilized

its proposed methodology for its proposed direct labor rates for each labor category. The retention of the highly skilled and experienced workforce is important to continuity of services and success of fabrication support for LaRC missions.

SLI received a Strength for demonstrating a thorough approach for recruiting and retaining highly qualified personnel for specialized skills in each technical area to meet the requirements of the PWS paragraphs 1.0 – 3.0. SLI demonstrated an approach built upon knowledge and experience in recruiting in technical areas specifically related to EMCHFSS II and a very high employee retention average. This indicated a streamlined process and an HR knowledge base that can expeditiously fill important positions. In addition, SLI offered some very attractive retention features to motivate employees to perform at a higher level and to remain incentivized which would be beneficial to employee retention.

SLI received a Strength for its total compensation plan including a well-defined and attractive fringe benefits package. This fringe benefit plan was specific and included many valuable aspects including specific plans and contributions. SLI's proposed benefits plan is reasonable and indicates a clear understanding of the compensation structure necessary to recruit and retain qualified employees.

Automated Task Order System

The SEB had no findings in this area.

Approach to Managing the Contract

SLI received a Strength for demonstrating a valuable approach for efficiently and effectively managing the contract requirements that included two managers who are knowledgeable of LaRC. SLI also proposed a credible approach to program and business management performance.

STC

STC received a Mission Suitability score of 900. STC's proposal included significant strengths, strengths, and weaknesses summarized below.

Subfactor 1, Understanding the Requirement and Technical Approach

STC received an adjectival rating of Very Good for Subfactor 1.

Electronics, Mechanical, and Composites Fabrication

STC received a Significant Strength for demonstrating a thorough understanding of potential problems and solutions applicable to the fabrication of electronics, mechanical, and composite hardware. In each PWS technical area, STC provided an accurate and comprehensive list of potential problems. STC also provided a realistic and comprehensive list of potential solutions across all three PWS areas. STC demonstrated a strong understanding that the work on EMCHFSS II can be iterative, one of a kind, and research oriented tasks not typical fabrication production work.

Electronics Fabrication

STC received a Strength for demonstrating a thorough approach for fabrication of cable harnesses for the development and quality assurance of flight quality electronic packages. STC proposed unique automation and inspections that would greatly reduce inspection times. This demonstrated a thorough

understanding and ensures successful installation of cable harnesses in flight quality electronics hardware packages.

STC received a Strength for demonstrating a thorough approach for the development and quality assurance of flight quality electronic packages. STC proposed an approach that resulted in keeping technicians certifications up to date and utilizing NASA workmanship standards. This demonstrated an understanding of the importance of maintaining technician certifications. STC's approach also provided a resource for employees regarding questions or problems with electronics fabrication that will contribute to quality assurance.

Mechanical Fabrication

STC received a Strength for demonstrating a thorough approach for fabrication of mechanical hardware for welding operations. This approach provided multiple resources for employees regarding questions or problems with welding fabrication. Further, STC recognized the need for contingency operations and described its backup capabilities. Additionally, STC demonstrated that it is developing an innovative welding capability and demonstrated a valuable mechanical hardware fabrication process and approach.

Composites Fabrication

The SEB had no findings in this area.

Subfactor 2, Management

STC received an adjectival rating of Very Good for Subfactor 2.

Approach to Staffing including incumbent retention, recruiting, total compensation plan, surging and declining workloads

STC received a Strength for demonstrating a thorough approach for incumbent retention and retaining highly qualified personnel for specialized skills in each technical area to meet the requirements. STC's approach demonstrated the ability to attain a very high incumbent capture. STC offered competitive wages and proposed to motivate employees by offering valuable compensation incentives.

STC received a Strength for its total compensation plan including a well-defined and attractive fringe benefit package. This fringe benefit plan was specific and included many valuable aspects including specific plans and contributions. STC's proposed benefits plan is reasonable and indicates a clear understanding of the compensation structure necessary to recruit and retain qualified employees.

STC received a Significant Strength for demonstrating a thorough approach to responding to surging and declining workload requirements. During surge in workload, STC proposed several credible methods that address approaches to obtain additional employees. During declines in workload, STC proposed several specific possible courses of action to retain employees.

Automated Task Order System

STC received a Strength for demonstrating a thorough approach to meet all the requirements of the PWS paragraph 4.1, Task Order Control System that included features that relate to its quality management system and that was adaptable to changing task order and reporting requirements.

Approach to Managing the Contract

STC received a Strength for demonstrating a good approach for efficiently and effectively managing the contract requirements. STC proposed to utilize a knowledgeable and highly qualified project manager (PM) Additionally, STC's PM has the complete authority to manage all aspects of the contract and provides one primary point-of-contact for the Government.

Factor 2, Cost/Price

The SEB and Cost/Price analyst performed an analysis of the proposed prices to assess price reasonableness and cost realism, to determine whether the Offerors demonstrated a clear understanding of the requirement and could perform the contract for the stated cost. In accordance with FAR 15.402, the Contracting Officer has determined that the Offerors proposed prices are fair and reasonable based on the spread from the highest proposed price to the lowest proposed price, comparison of the proposed prices (before and after incorporating the probable cost adjustments) comparison of the proposed prices to the Independent Government Estimate (IGE) (includes comparing the proposed prices to historical prices for the same or similar items purchased by the Government since the estimate is based, in part, on historical data/costs), comparison of the proposed IDIQ rates, and the fact that adequate price competition was obtained.

A summary of the overall probable cost/fee for each Offeror is shown in the table below:

Offeror	**Proposed Cost/Fee (Lowest to Highest)**	**Probable Cost/Fee (Lowest to Highest)**
Nakuuruq	1st (Lowest)	1st (Lowest)
SLI	2nd	2nd
STC	3rd (Highest)	3rd (Highest)

<u>Nakuuruq</u>

Based on the cost realism analysis and SEB review of Nakuuruq's cost proposal, cost realism adjustments totaling $501K were made to Nakuuruq's proposed cost. Labor escalation for the out-years (for both the prime and sub's labor) was applied using escalation factors forecasted by Global Insight. Nakuuruq proposed no labor escalation for its labor categories except for the Lead Aerospace Welder. The labor escalation for the Lead Aerospace Welder was proposed below Global Insight's forecasts of ~3% for years 2016 thru 2020. Also, the proposed rate for the Aerospace Welder was less than the WD minimum for an "Aerospace Structural Welder." Therefore the rate was adjusted to reflect the Aerospace Structural Welder rate of $23.29/hr. Nakuuruq's proposed cost/fee and probable cost/fee were below the IGE.

In addition, the SEB had concerns regarding the lack of direct costs applied for Admin/Management. While it was not explicitly stated by Nakuuruq, the cost analyst believes these costs are included in Nakuuruq's indirect pool(s). Also, Nakuuruq's proposed compensation leads to a performance risk since its proposed rates are overall significantly lower than the actual current rates. A probable cost adjustment was not made on Nakuuruq's proposed direct labor costs given its proposed staffing approach. Nakuuruq's proposal mentioned a high incumbent capture rate on past contracts. However, Nakuuruq's commitment to retain incumbent personnel, as described in its proposal is not clear given the detailed explanation of its recruitment efforts to replace incumbent staff with a significant number of resumes presently being vetted, the references to offering incumbents the right of first refusal, and its pricing strategy. Therefore, the SEB and the Price Analyst did not make labor rate related probable cost adjustments as Nakuuruq's cost proposal and low price strategy matched its technical approach to performing the work.

SLI

Based on the cost realism analysis and SEB review of SLI's cost proposal, cost realism adjustments totaling $1.8M were made to SLI's proposed cost. The actual current direct labor rates were applied given SLI's proposed approach of retaining incumbent staff. Labor escalation for the out-years for all labor categories was applied using escalation factors forecasted by Global Insight. SLI proposed lower escalation than the Global Insight's forecasts of ~3% for years 2016 thru 2020. SLI's historical (2008 thru 2014) average G & A rate was applied. SLI's proposed cost/fee and probable cost/fee were below the IGE.

STC

Based on the cost realism analysis and SEB review of STC's cost proposal, cost realism adjustments totaling $502K were made to STC's proposed cost. The actual current direct labor rates were applied given STC's proposed approach of retaining incumbent staff. Labor escalation was applied using escalation factors forecasted by Global Insight. STC proposed lower escalation than Global Insight's forecasts of ~3% for years 2016 thru 2020. STC's proposed cost/fee and probable cost/fee were below the IGE.

Factor 3, Past Performance

The SEB evaluated the Offeror's past performance records in accordance with M.2 of the RFP. The SEB considered the records of performing contracts similar in size, content and complexity to NASA's requirement. Both the performance records and the pertinence of the experience were evaluated. A confidence rating was assigned in accordance with NFS 1815.305.

Offeror	Pertinence Rating (size/content/complexity)	Performance Rating	Level of Confidence
Nakuuruq	Highly Pertinent (VHP/HP/HP)	Very Effective	High
SLI	Very Highly Pertinent (VHP/VHP/VHP)	Very Effective	High
STC	Very Highly Pertinent (VHP/VHP/VHP)	Exceptional	Very High

VHP = Very Highly Pertinent	**P = Pertinent**	**NP = Not Pertinent**
HP = Highly Pertinent	**SP = Somewhat Pertinent**	

Nakuuruq

The SEB assigned a confidence rating of High to Nakuuruq's Past Performance, Factor 3. Nakuuruq presented a total of six references for past performance, which included two contracts for Nakuuruq, one contract for Truestone (Nakuuruq's sister company) and three for Nakuuruq's subcontractor. For Size Pertinence, Nakuuruq received a Very Highly Pertinent rating as Nakuuruq's largest referenced contract well exceeded the Government estimated EMCHFSS II annual average. For Overall Work Content Pertinence as compared to the EMCHFSS II SOW, Nakuuruq received a Highly Pertinent rating as all SOW areas were satisfactorily covered, but one lacked supporting detail or had items that were not addressed. Two SOW areas were rated as Very Highly Pertinent with one area rated as Somewhat Pertinent. For Complexity Pertinence, Nakuuruq received a rating of Highly Pertinent as Nakuuruq has

managed contracts with a broad range of mechanical fabrication and their subcontract has managed contracts with a broad range of composite contracts. Performance ratings across the referenced contracts ranged from Satisfactory to Exceptional with the majority of the ratings being Very Good. The overall performance rating is Very Effective. Therefore, Nakuuruq's Overall Pertinence rating of Highly Pertinent and Overall Very Effective Performance rating resulted in a High Level of Confidence for the Past Performance factor.

SLI

The SEB assigned a confidence rating of High to SLI's Past Performance, Factor 3. SLI presented a total of three references for past performance, all three contracts were for SLI. For Size Pertinence, SLI received a Very Highly Pertinent rating as SLI's largest referenced contract well exceeded the Government estimated EMCHFSS II annual average. For Overall Work Content Pertinence as compared to the EMCHFSS II SOW, SLI received a Very Highly Pertinent rating as all SOW areas were satisfactorily covered. For Complexity Pertinence, SLI received a rating of Very Highly Pertinent as SLI managed contracts with a broad range of electronics, mechanical and composites fabrication.

Performance ratings across the referenced contracts ranged from Satisfactory to Exceptional with the majority of the ratings being Very Good. The overall performance rating is Very Effective. Therefore, SLI's Overall Pertinence rating of Very Highly Pertinent and Overall Very Effective Performance rating resulted in a High Level of Confidence for the Past Performance factor.

STC

The SEB assigned a confidence rating of Very High to STC's Past Performance, Factor 3. STC presented a total of three references for past performance, all three contracts were for STC. For Size Pertinence, STC received a Very Highly Pertinent rating as STC's largest referenced contract exceeded the Government estimated EMCHFSS II annual average. For Overall Work Content Pertinence as compared to the EMCHFSS II SOW, STC received a Very Highly Pertinent rating as all SOW areas were satisfactorily covered. For Complexity Pertinence, STC received a rating of Very Highly Pertinent as STC managed contracts with a broad range of electronics, mechanical and composites fabrication.

Performance ratings across the referenced contracts ranged from Very Good to Exceptional with the majority of the ratings being Exceptional. The overall performance rating is Exceptional. Therefore, STC's Overall Pertinence rating of Very Highly Pertinent and Overall Exceptional Performance rating resulted in a Very High Level of Confidence for the Past Performance factor.

Basis for Selection

The SEB presented its findings to me on January 16, 2015 and I am convinced that the SEB conducted a thorough, fair, and objective evaluation of all proposals in accordance with the established evaluation criteria in the RFP. I comparatively assessed the proposals against all evaluation factors and subfactors in the RFP. I also considered all factors, and their relative weights, in the selection of the Offeror that can perform the contract in a manner most advantageous to the Government.

In comparing the Offerors in the area of Mission Suitability, I noted that Nakuuruq received the lowest rating overall and the lowest adjectival ratings in both subfactors, Understanding the Requirements and Technical Approach and Management. I considered that Nakuuruq received no significant strengths in either subfactor. For electronics I noted strengths related to population of printed circuit boards and quality assurance of flight quality electronic packages but I also noted a weakness in the area of cable harnesses. During the SEB briefing, the board clarified to me that fabrication of cable harnesses is

essential to timely and successful completion of space flight projects. For metallic fabrication I noted strong approaches to welding and fabrication of metallic research hardware in general, but I also noted the weakness for the lack of differentiation of processes for applicable to one-of-a-kind iterative research hardware requirements. Such one-of-a-kind research requirements are critically important to the LaRC's aerospace fabrication functions which are supposed to lead the way in the nation. Nakuuruq received a strength in the area of its approach for fabrication and instrumentation of research oriented composite models. The area of composites was the only technical area in which there was not a weakness that I considered to introduce risk that counter balanced the identified strengths.

In the other area within Mission Suitability, Management, I noted Nakuuruq's rating of only "Fair." In this area I noted a single strength related to responding to surging working loads, but I noted weaknesses for retaining incumbents and recruiting. I also noted a significant weakness related to managing the contract. To me, this significant weakness reflected a very high risk approach to managing the contract, with particular challenges related to over burdening the project manager and split management responsibilities.

Turning to SLI and STC, they both had the same adjectival rating of Very Good for Subfactor 1, Understanding the Requirement and Technical Approach although STC had a somewhat higher percentage score in this area.

In Electronics Fabrication, I noted that both SLI and STC received strengths relative to their approaches to developing cable harnesses. SLI received a significant strength for its comprehensive approach and understanding of surface-mount technology and plated through hole for population of printed circuit boards, although I considered that this is narrow area impacting a very small part of the entire contract effort in its application. SLI also received a strength in its thorough understanding of potential problems and solutions applicable to electronics fabrication. However, STC received a significant strength relative to its thorough understanding of potential problems and solutions applicable to not only electronics fabrication but also to mechanical and composites fabrication. This gave me confidence that STC provided a low risk proposal to accomplish the LaRC's complex fabrication work across all three technical areas of the contract. In the area of electronics, I also noted that STC received a strength relative to the quality of space flight hardware based on its in-house capability.

For mechanical fabrication, SLI received a strength for its approach iterative one-of-a-kind fabrication. However, STC's significant strength reflected understanding and approach that included potential solutions including one-of-a-kind research oriented tasks and potential solutions in the area of mechanical fabrication. Additionally, STC received a strength relative to welding including an innovative capability.

For composites fabrication, SLI received no strengths but a weakness in the area of utilizing composite model making techniques relative to a finished scaled composite model. The SEB explained to me that SLI demonstrated an approach to use composites in model making, but not an approach that addressed use of composites relative to a scaled composite model application. Here again, STC's significant strength related to a thorough understanding of the potential problems and solutions that included potential problems and solutions to composites relative to the EMCHFSS II application.

Given that STC had no weaknesses in the technical areas and that its cross cutting significant strength demonstrated a thorough understanding of potential problems and solutions applicable to the fabrication of electronics, mechanical, and composite hardware, I conclude that STC has an appreciably superior proposal compared to SLI in this area.

For Subfactor 2, Management, STC had a higher adjectival rating of Very Good compared to SLI's adjectival rating of Good. I noticed that SLI received strengths related to its recruiting approach and its compensation plan that is likely to support retention. However, I also noticed that SLI received a weakness based on its approach to retain a high rate of incumbents but to pay low labor rates. The SEB and Cost/Price analyst explained that this could impact the majority of the labor categories. Given that these account for so much of the contract staff, I agreed with the SEB that this approach to rates is likely to introduce technical risk. While SLI's recruiting and retaining approach might help find and retain new employees to work on EMCHFSS II, those strengths would not likely assist SLI achieve its stated high incumbent retention goal which would minimize disruption to the contract work and retain highly experienced fabrication workforce with leading edge capabilities.

I also noted that SLI received a strength relative to managing the contract by proposing knowledgeable managers. However, STC also received a strength in this area. STC also received strengths for incumbent retention and retaining highly qualified personnel, and a significant strength for its approach to responding to both surging and declining workloads. I consider this to be especially valuable given that this is a cost type, IDIQ contract with unpredictable work. Based on STC's strengths in this area and the risk introduced by SLI with its low rates for so many of the contract workforce positions, I conclude that STC has an appreciably superior proposal compared to SLI in this area.

Regarding Factor 2, Cost/Price, all Offerors' proposed and probable costs/fee were below the IGE. I noted the difference between STC's and SLI's probable costs were negligible, within approximately .10% each other. I also noted the difference between STC's and SLI's probable cost were within 1.7% or $200K of the independent cost estimate. Therefore, I determine that these Offerors were so close to each other in the difference between the probable cost and the independent cost estimate that I conclude that there were no key discriminators in this Factor.

Nakuruuq had the lowest probable cost by a little over 18% from both SLI and STC. The bulk of this cost difference reflects that Nakuruuq did not receive a cost adjustment to account for the direct labor rates of the incumbent workforce. The SEB explained to me that both STC and SLI proposed to retain most of the incumbent workforce, but Nakuruuq did not. In fact, Nakuruuq proposed the minimum rates allowable by law for over half of the labor categories, reflecting rates that are over 19% lower than average incumbent rates in the mechanical fabrication area and over 32% lower than the average incumbent rates in the composites area. The SEB explained that Nakuuruq's cost proposal and low price strategy matched its technical approach to performing the work. Nakuuruq's detailed recruitment efforts to replace incumbent staff, already having a significant number of resumes presently being vetted, referenced only offering incumbents the right of first refusal, and had pricing strategy, not likely to retain the incumbent staff. Additionally, Nakuruuq proposed no direct labor for management, and it is unclear how management costs were accounted for within Nakuruuq's proposal.

Regarding Factor 3, Past Performance, I noted that STC received a Very High Confidence level and both Nakuuruq and SLI received high confidence levels. Only STC received an exceptional rating for overall performance and it is likely that this resulted in STC's overall confidence level being slightly above both SLI and Nakuruuq. I consider this to be a predictor of the level of performance that STC would achieve going forward.

SOURCE SELECTION DECISION

In making the selection decision, I have considered the relative weight of the evaluation factors as indicated within the RFP recognizing that Mission Suitability and Past Performance, when combined, are significantly more important than cost. I find that STC's Mission Suitability is substantially greater than that of Nakuuruq and SLI. STC's demonstrated understanding of the risks and potential solutions across

all three technical areas and strong approaches to accomplish the work provide the greatest value in the most heavily weighted evaluation area. This reflects substantially lower risk in the technical areas than offered by either SLI or Nakuruuq.

In the management area STC's approaches to incumbent retention, surging workloads and program management also reflect the approaches with the greatest value. I find that STC's excellent past performance (with Very High overall confidence level) is a strong indicator that STC can effectively perform this contract.

STC's probable cost is $11.78M which is in line with SLI's and with the Government Estimate. Nakuuruq's probable costs are substantially lower but likely reflect an approach that will entail recruiting and utilizing significantly lower wage earning technical employees with minimal management costs. I consider that to be a risky approach to staffing and managing LaRC's national research-oriented laboratory, science and research facility requirements.

Given the comparative strengths of STC's proposal including the strong likelihood of a stable workforce with STC's approach to incumbent retention, I find that the selection of STC is in the Government's best interest and provides the best value for the Government.

Accordingly, I hereby select Science Technology Corporation (STC) for the award of the EMCHFSS II contract.

Original signed by

Susan E. McClain
Source Selection Authority