

## SOURCE SELECTION STATEMENT

FOR

### UNIVERSITY-AFFILIATED SPACEPORT TECHNOLOGY DEVELOPMENT CONTRACT (USTDC)

On January 27, 2003, I, as the designated Source Selection Authority (SSA), along with other senior officials of the John F. Kennedy Space Center (KSC), met with the Source Evaluation Board (SEB) appointed to evaluate proposals for award of the University-affiliated Spaceport Technology Development Contract (USTDC) at KSC.

#### PROCUREMENT DESCRIPTION

The objective of the USTDC is to provide engineering and technology development services and support for the Agency-assigned KSC Mission Area of Spaceport and Range Technologies. The USTDC contractor will provide a broad range of non-routine engineering development services and products to operational customers performing processing, launch, landing, and range activities. The Contractor will provide the services and support necessary to perform applied research and technology development of spaceport and range technologies; design engineering in support of spaceport and range technologies and operations; operation and maintenance of spaceport and range development sites, facilities, laboratories, and equipment; research and engineering services and expertise in support of spaceport and range customers and other government agencies; and technical support services to KSC organizations. Most of these services presently are provided under an existing contract known as the Engineering Development Contract (EDC), which has reached its full term. In addition to these services, however, the USTDC incorporates several new and unique requirements that support the Kennedy Space Center's strategic roadmap goal of becoming a premier Spaceport Technology Center (STC) with a fully implemented university partnership. Under the USTDC the contractor is required to establish the initial NASA/academia/industry affiliation upon which to build the STC, and over the term of the contract grow this affiliation and the research and development component of the USTDC into a fully developed STC. Additionally, the USTDC authorizes and encourages the contractor to undertake work for others that compliments STC product lines, utilizing KSC's unique assets and capabilities to perform work for federal and state agencies, academia, as well as commercial entities.

The present EDC was awarded as a competitive Section 8(a) Small Business set-aside with a performance period of October 1, 1997 through September 30, 2002. On February 11, 2002, a Procurement Development Team (PDT) was appointed by the KSC Procurement Officer to explore alternatives for the continuation of the services and support under the EDC. The PDT was tasked to prepare an acquisition strategy to support a NASA Headquarters Acquisition Strategy Meeting (ASM) and to develop a

statement of work and draft solicitation for the USTDC. The EDC was extended to February 28, 2003 to accommodate the USTDC acquisition schedule.

The Acquisition Strategy Working Group conducted market research, issued a draft performance work statement and, on January 29, 2002, conducted an Industry Day that was attended by 47 companies and universities. On January 29 -31, 2002, one-on-one discussions were held with 17 8(a) small businesses to discuss the USTDC procurement. Thereafter, the Contracting Officer, with the concurrence of the Small Business Administration (SBA), determined that an adequate number of capable 8(a) small business concerns existed to allow the acquisition to be set-aside as a national, competitive Small Disadvantaged Business Section 8(a) set-aside. A NAICS code of 54171 with a size standard of 1000 employees was selected for this procurement. Subsequently, the PDT developed and issued a draft solicitation for industry comment. A pre-solicitation conference and a site visit for potential offerors was also held at KSC on May 14, 2002, and was attended by 41 companies and universities.

A final Performance-based Indefinite Delivery/Indefinite Quantity (ID/IQ) Cost Plus Award Fee/Incentive Fee request for proposal (RFP) was released on June 21, 2002. A contract deviation was approved by the NASA Associate Administrator for Procurement that authorized a USTDC period of performance of nine-years eight-months that included a base period of four-years eight months and five one-year options. The options are structured so that they may be exercised two years early and concurrently with an option gate at the end of contract year three. Also, at the time of release of the final RFP, the SSA appointed the SEB to evaluate proposals received in response to the final solicitation. A total of five RFP amendments were issued by the Contracting Officer to provide responses to questions and comments submitted relevant to the RFP, to incorporate other minor changes to the RFP, and to extend the proposal due date.

Proposals were timely received on or before August 15, 2002, from the following seven companies (with major subcontractors as noted):

- a) **Advanced Signal Research, Incorporated --Huntsville, Alabama**
  - Information Systems Support (ISS) Incorporated – Chesapeake, Virginia
  - Florida Space Institute (FSI) – KSC, Florida
  
- b) **ASRC Aerospace Corporation -- Greenbelt, Maryland**
  - Swales Aerospace -- Beltsville, Maryland
  - Sierra Lobo, Incorporated -- Milan, Ohio
  - University of Florida -- Gainesville, Florida
  
- c) **Morgan Research Corporation -- Huntsville, Alabama**
  - All Points Logistics – Gainesville, Georgia
  - Command and Control Technologies Corporation – Titusville, Florida
  - ENSCO, Incorporated – Cocoa Beach, Florida
  - Florida Space Research Institute (FSRI) – KSC, Florida

- d) **SGT, Incorporated -- Greenbelt, Maryland**
- Dynacs, Incorporated – Palm Harbor, Florida
  - University of Florida – Gainesville, Florida
- e) **Spaceport Technology and Engineering Services (STES)\* -- Cape Canaveral, Florida**

\* Joint Venture Consisting of the following companies:

Akima Corporation  
Charlotte, North Carolina

Command Technologies, Incorporated (CTI)  
Warrenton, Virginia

Zel Technologies, LLC  
Hampton, Virginia

- Florida Space Research Institute (FSRI) – KSC, Florida

- f) **Technology Promotions International, LTD (TPI) -- College Park, Maryland**

- The Aerospace Corporation – Los Angeles, California
- University of Maryland -- College Park, Maryland

- g) **Yang Enterprises, Incorporated -- Oviedo, Florida**

- Florida Space Institute (FSI) – KSC, Florida

TPI's proposal was found to be initially unacceptable in accordance with NASA FAR Supplement 1815.305-70(a)(1) and (3) and was removed from further consideration for award. The remaining six proposals were distributed to the SEB for evaluation.

### EVALUATION PROCESS

The RFP prescribed three evaluation factors, namely, mission suitability, past performance, and cost, which were to be evaluated using the procedures, adjectival ratings, definitions and percentile ranges stated in FAR 15 subpart 3 and NFS 1815 subpart 3. The RFP advised offerors of the relative importance of these factors stating that, "all evaluation factors other than cost, when combined, are approximately equal in importance to the cost factor...[and that] ... the past performance factor is less important than the mission suitability factor." The RFP also advised offerors that source selection would be made using the tradeoff process described in FAR 15.101-1 which permits tradeoffs among cost or price and non-cost factors, thereby allowing the Government to accept other than the lowest price proposal.

In addition the RFP stated that the Government reserved the right to capture any proposed approaches to meet contract requirements that have value to the Government and are considered proposal strengths.

With regard to the mission suitability factor, the RFP stated that it would be the only factor to be numerically scored with a maximum total point score of 1000 available for the following three mission suitability subfactors, which were weighted as indicated:

Management Approach and Key Personnel	500
Technical Approach and Staffing Plan	400
Safety and Health	100

The point score for each mission suitability subfactor was determined using the following adjective ratings and percentile ranges, as they are defined in the above cited references:

Excellent: 91 – 100

Very Good: 71 – 90

Good: 51 – 70

Fair: 31 – 50

Poor: 0 - 30

Under the management approach and key personnel subfactor, the RFP described in detail the things that would be evaluated, including organization, management plan, key personnel, implementation approach for Spaceport Technology Center (STC) Vision, University-affiliation approach, technology outreach, quality management system approach, risk management, contract surveillance and award fee approach, work for others incentive fee, total compensation, and transition. The RFP also described in detail the things that would be evaluated under the technical approach and staffing subfactor, namely, applied R&D products and services, design engineering products and services, facility and laboratory utilization/operations, technical services, representative annual contract staffing (RACS) approach, work breakdown structure, representative task orders (RTOs), technical capability of University affiliate(s), and innovative technical approaches. Finally, the RFP described how the Government would evaluate each offeror's approach to implementing the safety and health requirements stated in the performance work statement.

Evaluation of Past Performance was conducted in accordance with FAR 15.305(a)(2) and NFS 1815.305 (a)(2). The RFP advised offerors that the relevant quantitative and qualitative aspects of each offeror's record of performing services, similar in size, content, and complexity to the requirements of the RFP would be evaluated.

Additionally, the past performance of each offeror's major subcontractors and university affiliate(s) would be evaluated. In each case, the past performance evaluation would include an assessment of the offeror's technical performance as well as management and contract performance. All submitted Past Performance information for the offerors and proposed major subcontractors would also be considered in the evaluation. References identified by the offerors would also be contacted for additional information. Past performance was evaluated using the following adjectival ratings: Exceptional, Above Average, Satisfactory, Marginal, Unsatisfactory, or Neutral.

Finally, with regard to the Cost Factor, the RFP instructed each offeror to base the total proposed cost of this cost plus award fee/incentive fee ID/IQ contract on its representative annual contract staffing plan, together with the cost of the representative task orders. These costs would then be evaluated to determine cost realism, *i.e.*, that the costs are realistic for the work to be performed, reflect an understanding of the USTDC requirements, and are consistent with the various elements of the offeror's technical proposal. A structured approach was set forth in the RFP in accordance with the provisions of NFS 1815.305(a)(3)(B) to adjust the offeror's overall Mission Suitability score based on the degree of cost realism. Point adjustments to the Mission Suitability score were made when the percentage difference between the proposed and probable cost exceeded increments of +/- 5 percent. The offeror's proposed cost would also be evaluated to determine cost reasonableness, and a determination would be made as to the probable cost to the Government for the entire contract performance including options, as well as the level of confidence therein. The RFP also advised offerors that cost differences among proposals and their probable causes, such as differences in business methods, operating procedures, and practices would also be evaluated.

Pursuant to the Source Evaluation Plan for this acquisition, the SEB conducted all evaluations using the above described evaluation criteria. In conducting the evaluations, the SEB utilized evaluators in appropriate disciplines to provide specific expertise needed in the evaluation process. SEB evaluators were assigned to evaluate the offerors' proposals in their specific areas of expertise and provided findings and requests for clarifications to the SEB committees. The SEB utilized committee assessments in determining findings. Using the analyses of the evaluators as reported in the committee assessments, the predetermined evaluation criteria, and their own findings, the SEB identified and assessed strengths and weaknesses and rated and scored each proposal. In addition to the evaluation of the factors and subfactors identified above, the SEB ensured all solicitation requirements established by the RFP were met. Further, as part of the evaluation process, the SEB analyzed each offeror's administrative data which was comprised of financial information related to the capability to perform a contract of this magnitude, the model contract, acceptance of contract terms and conditions, representations and certifications, and Equal Employment Opportunity pre-award clearance.

Utilizing the above-described evaluation process, the SEB conducted an initial evaluation of the six proposals that had been accepted for initial evaluation. The resulting mission suitability rating, past performance rating, and cost evaluation of each offeror's proposal

provided the basis for making a competitive range determination. Pursuant to FAR 15.306(c)(1), the SEB determined that only two offerors were within the competitive range, namely ASRC Aerospace Corp. and SGT, Inc. Offerors that were found not to be within the competitive range were so notified on November 6, 2002, and the SEB then commenced oral/written discussions with ASRC and SGT. With respect to the initial ranking of ASRC and SGT under the mission suitability factor, although ASRC's proposal was preliminarily ranked above SGT, it was subsequently ranked below SGT in the initial evaluation due to a significant downward point adjustment for cost realism. As there were no initial deficiency findings or adverse past performance information relating to either of ASRC's or SGT's initial proposals, discussions with both offerors focused on the weaknesses, significant weaknesses, and uncertainties requiring clarifications the SEB had identified during the initial evaluation of mission suitability and cost.

After discussions concluded on December 4, 2002, the two offerors timely submitted, on December 13, 2002, their Final Proposal Revisions (FPRs), including executed proposed model contracts. Again using the above-described evaluation process, the SEB conducted a final evaluation of the offerors' FPRs. As no weaknesses, significant weaknesses or uncertainties were found to remain in either of the offerors' proposals, the SEB reported its findings to the SSA, focusing on the offerors' strengths and significant strengths as discussed below.

### **MISSION SUITABILITY EVALUATIONS**

The evaluation of FPRs resulted in increased mission suitability scores for both offerors. Moreover, as ASRC had revised its final proposal to eliminate the need for a downward point adjustment for cost realism, final proposals were ranked by the SEB in the following order for Mission Suitability:

1. ASRC Aerospace Corporation
2. SGT, Incorporated

#### **ASRC Aerospace Corporation**

The SEB found that ASRC had seven significant strengths in its proposal under the most heavily weighted mission suitability subfactor, "management approach and key personnel." These significant strengths included: (1) excellent organizational structure, communication, and roles, (2) exceptionally well qualified program manager, (3) exceptional key personnel team with four of the five team members adjudged to be exceptionally well qualified, (4) excellent understanding of the STC vision and commitment to implement same through a substantial up-front corporate commitment of resources (contractually committed) at no cost to the Government, (5) excellent overall university affiliation approach that will quickly grow the university presence at KSC, also involving a substantial up-front corporate commitment of resources (contractually committed) at no cost to the Government, (6) exceptional plan for technology outreach, again involving a substantial up-front corporate commitment of resources (contractually

committed) at no cost to the Government, which is projected to generate substantial revenues from outside sources during the first years of contract performance and beyond, and (7) risk management plan that demonstrates an exemplary understanding of risk management concepts. Additionally, the SEB found that ASRC's proposal had six strengths under this subfactor in the areas of management plan, quality management system, contract surveillance plan, award fee distribution, work for others incentive fee, and transition. As a result of the evaluation, the SEB rated ASRC's management approach and key personnel as excellent and scored this subfactor at the high end of the excellent range.

With regard to the mission suitability subfactor, "technical approach and staffing plan," the SEB found that ASRC had three significant strengths in its proposal. These significant strengths included: (1) comprehensive and thorough approach to providing design engineering products and services, (2) strong approach for technical capabilities of university affiliates, and (3) comprehensive and thorough approaches to representative task orders. Additionally, the SEB found that ASRC's proposal had four strengths under this subfactor in the areas of research and development, facilities and labs, technical services, and innovative technical approaches. As a result of the evaluation, the SEB rated ASRC's technical approach and staffing plan as excellent, and scored this subfactor at the high end of the excellent range.

With regard to the mission suitability subfactor, "safety and health," the SEB found that ASRC had one significant strength in that ASRC's safety and health plan demonstrated a thorough and comprehensive approach for providing and managing an outstanding safety and health program. As a result of the evaluation, the SEB rated ASRC's safety and health as excellent, and scored this subfactor at the high end of the excellent range.

#### **SGT, Incorporated**

The SEB found that SGT had three significant strengths in its proposal under the most heavily weighted mission suitability subfactor, "management approach and key personnel." These significant strengths included: (1) excellent overall organizational approach for managing requirements of the contract, (2) exceptionally well qualified program manager, and (3) strong personnel team with three of the five team members adjudged to be exceptionally well qualified. Additionally, the SEB found that SGT's proposal had eight strengths under this subfactor in the areas of management plan, university affiliation approach, technology outreach, quality management system, risk management, contract surveillance plan, award fee distribution, work for others incentive fee, and transition. As a result of the evaluation, the SEB rated SGT's management approach and key personnel as very good, and scored this subfactor at the high end of the very good range.

With regard to the mission suitability subfactor, "technical approach and staffing plan," the SEB found that SGT had three significant strengths in its proposal. These significant strengths included: (1) comprehensive and thorough approach to design engineering products and services, (2) strong approach for technical capabilities of university

affiliates, and (3) comprehensive and thorough approaches to representative task orders. Additionally, the SEB found that SGT's proposal had three strengths under this subfactor in the areas of research and development, facilities and labs, and technical services. As a result of the evaluation, the SEB rated SGT's technical approach and staffing plan as excellent, and scored this subfactor at the low end of the excellent range.

With regard to the mission suitability subfactor, "safety and health," the SEB found that SGT had one significant strength in that SGT's safety and health plan demonstrated an exceptional, thorough, and comprehensive approach for managing a safety and health program. As a result of the evaluation, the SEB rated SGT's safety and health as excellent, and scored this subfactor at the high end of the excellent range.

### **PAST PERFORMANCE EVALUATIONS**

#### **ASRC Aerospace Corporation**

The SEB found that ASRC had successfully managed ID/IQ contracts similar in size, content, and complexity to the USTDC, and these past and present contracts give ASRC successful experience that is relevant in all areas of the USTDC. The SEB also considered relevant past performance information relating to ASRC's major subcontractors, Swales Aerospace and Sierra Lobo. The responses to questionnaires and references regarded ASRC and their subcontractors as exceptional with no significant performance problems identified. As a result of this evaluation, the SEB rated ASRC's past performance as exceptional.

#### **SGT, Incorporated**

The SEB found that SGT had successful experience with performance based contracts but noted these contracts were substantially smaller than the USTDC in terms of size, content, and complexity. Moreover, the SEB found that SGT had successful experience in the areas of design engineering, technical services, project management, and university work, but limited experience in lab operations and maintenance other than for computer labs. The SEB also considered relevant past performance information relating to SGT's major subcontractor, Dynacs. The responses to questionnaires and references regarded SGT and their subcontractor as above average or exceptional with no significant performance problems identified. As a result of this evaluation, the SEB rated SGT's past performance as above average.

### **COST EVALUATIONS**

#### **ASRC Aerospace Corporation**

The SEB found that, as a result of the revisions contained in ASRC's final proposal, ASRC's costs were realistic for the work to be performed, reflected an understanding of

the USTDC requirements, and were consistent with the various elements of ASRC's technical proposal. Accordingly, no point adjustment of ASRC's mission suitability score was required. Moreover, the SEB found that, although ASRC's proposed cost was somewhat higher than SGT's proposed cost, ASRC's proposed cost was below the Government estimate and was otherwise considered reasonable. The SEB also provided to the SSA a comparative analysis illustrating the cost differences and the probable causes thereof between ASRC's proposal and SGT's proposal. Finally, only one probable cost adjustment was made to ASRC's proposal to reflect the maximum liability for G&A costs that may be incurred by the Government under ASRC's G&A rate ceiling clause, and the SEB found the level of confidence in the probable cost to be high.

### SGT, Incorporated

The SEB found that the costs proposed in SGT's final proposal were realistic for the work to be performed, reflected an understanding of the USTDC requirements, and were consistent with the various elements of SGT's technical proposal. Moreover, the SEB found that SGT's proposed cost was somewhat lower than ASRC's proposed cost, and that SGT's proposed cost was below the Government estimate and otherwise considered reasonable. The SEB also provided to the SSA a comparative analysis illustrating the cost differences and the probable causes thereof between SGT's proposal and ASRC's proposal. Finally, only one probable cost adjustment was made to SGT's proposal to reflect the maximum liability for G&A costs that may be incurred by the Government under SGT's G&A rate ceiling clause, and the SEB found the level of confidence in the probable cost to be high.

## SELECTION DECISION

At the conclusion of the SEB's presentation of the above discussed findings, I solicited additional comments or questions from the SEB participants and other senior management officials present. Following the presentation and question / comment period, I met with key officials to discuss my perception of the SEB's findings and, accordingly, the basis for my conclusion that the proposal submitted by ASRC Aerospace Corporation represents the best value to the Government.

I first note, with regard to the three evaluation factors specified in the RFP (*i.e.*, mission suitability, past performance, and cost), all evaluation factors other than cost, when combined, are approximately equal in importance to the cost factor and that the past performance factor is less important than the mission suitability factor. Using these evaluation factors, the RFP also provides that source selection will be made using the tradeoff process described in FAR 15.101-1 which permits tradeoffs among cost or price and non-cost factors, thereby allowing the Government to accept other than the lowest cost proposal. In accordance with this tradeoff process, I have concluded the superior mission suitability and past performance aspects of ASRC's proposal justifies the tradeoff of the somewhat lower cost proposed by SGT. Specifically, with respect to the mission suitability subfactor of management approach and key personnel, ASRC offers

an excellent understanding of the STC vision and has committed to implement this vision through a substantial up-front corporate commitment of resources (contractually committed) at no cost to the Government. ASRC also offers an excellent overall university affiliation approach that will quickly grow the university presence at KSC, also involving a substantial up-front corporate commitment of resources (contractually committed) at no cost to the Government. Moreover, ASRC offers an exceptional, aggressive business development approach for technology outreach, again involving a substantial up-front corporate commitment of resources (contractually committed) at no cost to the Government, which is projected to generate substantial revenues from outside sources during the first years of contract performance and beyond. These aspects of ASRC's proposal were adjudged to be significant strengths by the SEB and, together with the four other significant strengths and six strengths that were found under this most highly weighted mission suitability subfactor, clearly put ASRC's management approach and key personnel near the top of the excellent range. By contrast, SGT was rated at the high end of the very good range with three significant strengths and eight strengths and its proposal, while very strong, was not as aggressive nor did it provide early substantial corporate commitment to the STC vision, university-affiliation, and technology outreach. Similarly, when the SEB's evaluation results for all three mission suitability subfactors are combined, ASRC's total mission suitability rating, including management approach and key personnel, technical approach and staffing, and safety and health, is at the high end of the excellent range while SGT's total mission suitability rating is at the high end of the very good range. I find ASRC's superior mission suitability proposal, particularly with regard to its significant strengths in STC vision, university affiliation, and technology outreach, is of significant value to the Government, and along with its substantial up-front corporate commitment, clearly makes ASRC's proposal the most advantageous to the Government.

I also find there is a notable difference between the offerors in the past performance factor in their record of relevant experience. As specifically noted by the SEB, ASRC has successfully performed contracts similar in size, content, and complexity to the USTDC. In addition ASRC was found to have relevant experience in all areas of the USTDC and was therefore rated as exceptional. By contrast, SGT has successfully performed contracts smaller in size, content, and complexity of USTDC. In addition, SGT has limited experience in lab operations and maintenance and was therefore rated above average. I find ASRC's exceptional past performance rating enhances its chances of successful contract performance and is of additional value to the Government.

Finally, with regard to the cost factor, I note the SEB found both ASRC's proposal and SGT's proposal satisfied the requirements of cost realism and price reasonableness, and the probable cost adjustments made to both proposals were similar in nature and did not change the relative standing of the offerors, in that SGT's cost still remains somewhat lower than ASRC's cost. Nevertheless, it is my conclusion that the value to the Government of ASRC's superior mission suitability approach (including its early aggressive corporate commitment) and past performance, as described above, more than offset the somewhat lower proposed cost offered by SGT.

Based on the foregoing analysis, I select ASRC Aerospace Corporation for award of the USTDC contract, as it represents the best value to the Government and merits the additional cost.



Roy D. Bridges Jr.  
Source Selection Authority  
NASA/John F. Kennedy Space Center

January 30, 2003  
Date