

**Nelson Engineering Company (NEC)
Merritt Island, Florida**

Major Subcontractor

**Creative Management Technology, Inc. (CMTI)
Cape Canaveral, Florida**

Major Subcontractor

EVALUATION PROCEDURE:

The RFP advised offerors that the Government intended to award a Concession Agreement to the responsible offeror whose proposal represents the best value to the Government. Moreover, the RFP notified offerors that the Government reserved the right to award a Concession Agreement without discussions with offerors (except for minor clarifications) and, therefore, the offeror's initial proposal should contain the offeror's best terms from a technical and financial standpoint.

The RFP prescribed three evaluation factors; Mission Suitability, Financial, and Relevant Experience and Past Performance, all of which were considered approximately equal in importance.

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 subfactors and elements (weighted as indicated):

Management Subfactor	600
Public Engagement (350)	
Management Approach (250)	
Technical Subfactor	400
Guest Services (200)	
Operations (200)	

The requirements underlying each Mission Suitability subfactor and element were described in detail in the RFP, and the SEB evaluated each offeror's response to these requirements, identifying both strengths and weaknesses. An adjectival rating and percentile rank was then determined based on the following scale as defined in the RFP: Excellent 91-100; Very Good 71-90; Good 51-70; Fair 31-50; and Poor 0-30.

The percentile rank was then used to determine the point score for each element of Mission Suitability.

With regard to the Financial Factor, the RFP established two subfactors, namely, Financial Approach and Financial Consideration, to evaluate the degree to which the KSCVC, the Kennedy Space Center, and NASA may be exposed to financial risk resulting from an offeror's proposed financial arrangements. The RFP required each offeror to submit specific financial data and other information that would demonstrate its proposed "Financial Approach" for overall operational viability, as well as the offeror's proposed "Financial Consideration" establishing its contributions to the KSCVC trust accounts. The SEB then evaluated each proposal to determine

financial risk posed, assigning an overall risk rating of Low, Medium, or High, as those terms are defined in the RFP.

With regard to the Relevant Experience and Past Performance (REPP) Factor, the RFP required each offeror to submit data and information demonstrating the quality of its past performance and its relevance to the services required by the KSCVC Concession Agreement. The SEB then evaluated each offeror's REPP to develop a confidence rating that the offeror will successfully perform the KSCVC Concession Agreement. The five confidence ratings, as defined in the RFP, are: Very High Level of Confidence; High Level of Confidence; Moderate Level of Confidence; Low Level of Confidence; and Very Low Level of Confidence.

Pursuant to the Source Evaluation Plan for this procurement, 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 assessments, findings and requests for clarifications to their Team Leads. Using the analyses of the evaluators as reported by the Team Leads, the evaluation criteria stated in the RFP, as well as its own findings, the SEB identified and assessed strengths and weaknesses, and appropriately rated or scored each proposal. The SEB's initial evaluation of the three proposals received resulted in the following ranking/rating:

MISSION SUITABILITY FACTOR EVALUATION

Based on the Mission Suitability evaluation, the proposals were ranked by the SEB in descending order as follows:

1. DNC
2. Xanterra
3. Universal

DNC - DNC's proposal received the highest overall Mission Suitability numerical score of 892 out of a possible 1000 points. With regard to the Management Subfactor, DNC's proposal was rated "Excellent" in Public Engagement and also received an "Excellent" rating in Management Approach.

In the "Public Engagement" element, the SEB found that DNC's proposal had two significant strengths. The first significant strength was for its proposed innovative collaboration with NASA Education to leverage resources which will align, complement, coordinate and synergize with NASA-supported educational projects. The second significant strength was DNC's comprehensive approach to the orderly growth and development of KSCVC that was consistent with its management and technical approach. Together, these two significant strengths presented an overarching approach that contributed to the overall performance of the concession agreement.

In the "Management Approach" element, the SEB found that DNC's proposal had three significant strengths. The first significant strength was DNC's autonomous corporate structure

that allows for timely decision-making as well as access to corporate resources. The second significant strength was for its closed-loop system that links guest feedback with employee training. The third significant strength was for its proposed Business Information Platform to effectively organize and track business activity.

With regard to the Technical Subfactor, the SEB found that DNC's proposal had two significant strengths in the "Guest Services" element. In the first significant strength, DNC proposed many creative concepts for new retail venues that are thematically organized around exhibits focusing on the main components of the NASA story that guests have experienced at the KSCVC. DNC's comprehensive and detailed approach to retail services increases the likelihood that the KSCVC would be able to sustain a high level of operations. The second significant strength was for DNC's approach to food service operations which described several new food venues, high-tech operations and equipment and customer-focused innovations that also increase the likelihood that the KSCVC will be able to sustain a high level of operations. With respect to the "Operations" element, the SEB evaluated DNC's proposal as "Good."

The SEB found no significant weaknesses or deficiencies in DNC's proposal, and noted that DNC's model contract was clear and unambiguous, requiring only minor clarification.

Xanterra - Xanterra's proposal received the second highest overall Mission Suitability numerical score of 833 out of a possible 1000 points. With regard to the Management Subfactor, Xanterra's proposal was rated "Excellent" in Public Engagement, and "Excellent" in Management Approach.

In the "Public Engagement" element, the SEB found that Xanterra's proposal had three significant strengths. The first significant strength was for its proposal to build a facility that will provide an educational experience utilizing experiential, immersive, high fidelity and flexible mock-ups. The second significant strength was for a comprehensive approach to collections management, including the care, treatment, exhibition and storage of artifacts. The third significant strength was for its detailed, step-by-step approach to the master planning process.

In the "Management Approach" element, the SEB found that Xanterra's proposal had three significant strengths. The first significant strength was for its autonomous corporate structure that allows for timely decision making as well as access to corporate resources. The second significant strength was its proposed management team that brings a breadth and depth of experience and skills. The third significant strength was for its proposed training program that links audits and customer feedback data.

With regard to the Technical Subfactor, Xanterra received a "Good" rating in the "Guest Services" element, and a "Good" rating in the "Operations" element.

The SEB found no significant weaknesses or deficiencies in Xanterra's proposal; however, the SEB noted that Xanterra's model contract contained ambiguities that would require detailed discussions to resolve.

Universal - Universal's proposal received the third highest overall Mission Suitability numerical score of 528 out of a possible 1000 points. With regard to the Management Subfactor, Universal's proposal was rated "Fair" in Public Engagement and "Very Good" in Management Approach.

Under the "Public Engagement" element, the SEB found that Universal's proposal had two significant weaknesses. The first significant weakness was that its education approach focused on how they would promote education programs rather than the educational content of the programs. The second significant weakness was for its proposed approach to education staffing, which is primarily in sales, marketing, and event planning and does not meet the stated requirements for a qualified staff to develop, coordinate, and integrate year-round education programs to provide opportunities for students, teachers, or family involvement in space-related learning activities.

In the "Management Approach" element, the SEB found that Universal's proposal had two significant strengths. The first significant strength was for its proposed approach to marketing to enhance NASA brand presence and visibility and promote growth in attendance. The second significant strength was for managing project development and its approach for providing seamless integration of multiple disciplines.

With regard to the Technical Subfactor, Universal's proposal was rated "Poor" in "Guest Services," and "Very Good" in "Operations."

In the "Guest Services" element, the SEB found one deficiency in Universal's proposal. The deficiency was for its material failure to respond to the specific requirements of the "Guest Services" element of the RFP. Universal's proposal did not describe its approach to maintaining and enhancing a comprehensive program that delivers high quality, customer-focused guest services at the KSCVC. In the "Operations" element, the SEB found that Universal's proposal had one significant strength. Universal's proposal described a maintenance program that is extremely comprehensive and included an independent quality control program.

In addition to the deficiency and significant weaknesses discussed above, the SEB noted that Universal's proposal contained caveats which created significant ambiguities that would require detailed discussions to resolve.

FINANCIAL FACTOR EVALUATION

The SEB's evaluation of each proposal's Financial Approach and Financial Consideration resulted in the following risk ratings:

DNC - DNC's proposal received a financial rating of "Low" risk. DNC presented a sound financial proposal that allows for continued sustainability and orderly growth and development. DNC's projections for attendance, although higher than KSCVC historical averages, were considered to be relatively comparable and correlated well with the growth and development DNC proposed under Mission Suitability. Pricing projection/methodology correlates with proposed park improvements and historical averages. The proposal for trust fund contributions

had the highest variable percentage and the second highest fixed dollar amount. In addition, the proposal included significant concessioner capital investment and a commitment to providing this investment with specific binding language as a concession agreement requirement.

Xanterra - Xanterra's proposal received a financial rating of "Medium" risk. Xanterra presented a sound financial proposal that allows for continued sustainability; however they did not present sound rationale and cost projections for orderly growth and development. Xanterra's cash flow projections for the trust accounts assumed a beginning balance with no substantiation, and would have resulted in a negative ending balance without this assumption. Xanterra's projections for attendance and ticket prices, although lower than KSCVC historical averages and the Consumer Price Index, were considered to be relatively comparable. Operational expenses did not correlate well with the growth and development proposed by Xanterra under Mission Suitability. Cost estimates for major project design, development and construction were determined to be understated. The proposal for trust fund contributions had the second highest variable percentage and the highest fixed dollar amount. In addition, the proposal included concessioner capital investment; however, this proposed investment was tied to specific proposed projects and was ambiguous with regard to the terms and conditions relating to the capital investment, resulting in a question as to their commitment to provide the stated dollar amount.

Universal - Universal's proposal received a financial rating of "Medium" risk. Universal presented a sound financial proposal that allows for continued sustainability; however they did not present complete rationale and cost projections for orderly growth and development. Universal's financial proposal contained numerous caveats that placed conditions on the financial projections and the financial consideration proposed. Universal's projections for attendance and ticket prices were considered to be comparable to KSCVC historical averages. Cost estimates for the design, development and construction of major projects were not clearly identified. The proposal for trust fund contributions had the lowest variable percentage and the second highest fixed dollar amount. The proposal did not include any concessioner capital investment, but proposed to satisfy the existing loans and obtain a future loan to be paid from operating expenses rather than through the trust accounts.

RELEVANT EXPERIENCE AND PAST PERFORMANCE FACTOR EVALUATION

In evaluating REPP, the SEB reviewed the proposals and reference questionnaires, and conducted interviews. The Government assessed the currency and relevance of the information, the source of the information, and the context of the data, then determined a confidence rating in accordance with the definitions contained in the RFP. As a result of this evaluation, the Board assigned confidence levels of "Very High" for DNC and Universal, and "High" for Xanterra.

The SEB noted that DNC demonstrated successful past performance operating concessions similar in size and complexity to KSCVC and the corresponding requirements of the RFP. DNC's relevant experience and past performance was of exceptional merit and very highly pertinent, and there is a very high level of confidence that DNC will perform successfully.

The SEB noted that Universal demonstrated successful past performance operating venues similar in size and complexity to KSCVC and the corresponding requirements of the RFP. As

Universal's relevant experience and past performance is of exceptional merit and very highly pertinent, there is a very high level of confidence Universal will perform successfully.

Xanterra demonstrated successful past performance operating concessions similar in size and complexity to KSCVC and the corresponding requirements of the RFP. Xanterra had limited demonstrated experience managing educational programs as outlined in the RFP for this Agreement. Neither Xanterra, nor their major subcontractors had any discernable experience maintaining exhibits (i.e., displays, theatres, show systems, and related equipment). Accordingly, Xanterra's relevant experience and past performance is highly pertinent, and there is a high level of confidence that Xanterra will perform successfully.

SELECTION DECISION:

At the end of the Source Evaluation Board presentation on February 3, 2010, I asked the Board participants if there were any additional comments or points that they would like to provide. There were none. I then met with a small group of key KSC personnel who had heard the presentation. These officials are those who carry out responsibilities related to the procurement and acquisition process. Their views were solicited and received.

I first noted that, with regard to the three evaluation factors specified in the RFP (i.e., Mission Suitability, Relevant Experience and Past Performance, and the Financial Factor), all are approximately equal in importance. Using these evaluation factors, I concluded that DNC's Mission Suitability proposal is somewhat better than Xanterra's Mission Suitability proposal, and both were substantially better than Universal's Mission Suitability proposal. DNC's plan for orderly growth and development was superior in that it provided a comprehensive approach to refresh and/or add new marketable content/attractions to KSCVC on regular intervals in order to sustain market share in the highly competitive Central Florida marketplace. This plan, when combined with the other significant strengths in DNC's proposal, provides the best solution for meeting the KSCVC Concession Agreement requirement.

I also noted that DNC and Universal both received a confidence rating of "Very High" and Xanterra received a confidence rating of "High" in the Relevant Experience and Past Performance factor. Since DNC and Universal demonstrated successful performance histories operating concessions similar in size and complexity to KSCVC and the corresponding requirements of the RFP, and received "Very High" confidence ratings, they are essentially equal in Relevant Experience and Past Performance, and somewhat better than Xanterra, who received a rating of "High." Xanterra demonstrated relevant experience and successful past performance in operating and maintaining concession services and facilities of the nature and size described in the RFP, but did not demonstrate relevant experience in STEM education or formal education programs. Moreover, Xanterra did not demonstrate relevant experience in the maintenance of exhibits, shows, and attractions, nor in project planning, development and implementation as they relate to exhibits, shows, and attractions.

Finally, I noted that the SEB determined that DNC's proposal received a "Low" risk rating for the Financial Factor. DNC presented a sound financial proposal that allows for continued sustainability and orderly growth and development in addition to a binding commitment to the concessioner capital investment. Xanterra's and Universal's proposals both received a "Medium" risk rating for the Financial Factor. Xanterra improperly assumed a beginning balance in the trust accounts. The proposed operating expenses did not align with proposed growth and development, and major projects cost estimates were underestimated. Universal's proposal did not present a complete rationale for orderly growth and development cost projections, and contained several conditional statements in their financial proposal that increase risk.

DNC's financial proposal was sound and provided the KSCVC the overall best financial sustainability and highest assurance for operational viability. DNC's low risk Financial Factor rating, when combined with its somewhat better Mission Suitability proposal, and proven performance, as noted by its very high relevant experience and past performance rating, support my determination that DNC's proposal constitutes the best value to the Government and to the general public. Moreover, as DNC's proposal has no significant weaknesses or deficiencies, and its model contract is clear and unambiguous, I find that it is appropriate to make an award based on initial proposals without discussions.

Accordingly, I selected Delaware North for award of the Kennedy Space Center Visitor Complex Concession Agreement.



Robert D. Cabana
Director
John F. Kennedy Space Center, NASA
Source Selection Official

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Date