National Aeronautics and Space Administration
Goddard Space Flight Center
Greenbelt, MD 20771

May 13, 2014

Reply to Attn of: 500

Mr. Greg Einfalt
ASRC Federal Space & Defense (AS&D), Inc.
7000 Muirkirk Meadows Drive
Suite 100
Beltsville, MD 20705

Subject: Contract NNG13CR48C, Period 1 Fee Determination (Correction)

Dear Mr. Einfalt:

It has been determined that the FDO letter dated April 23, 2014, issued (via email and regular mail) on April 29, 2014 for Electrical Systems Engineering Services II (ESES II) contract reflects a calculation error in the amount for the award fee earned and the available fee pool. The correct amounts are indicated below.

The correct calculation for September 1, 2013, through February 28, 2014, the first evaluation period of the contract, ASRC Federal Space and Defense Inc. is awarded $687,786.16; this is a change from $1,269,173 and reflects a decrease of $581,387.04. This is approximately 84 percent of the available award fee pool of $823,696; this is a change from $1,519,968 and reflects a decrease of $696,272. The Contracting Officer has forwarded, under a separate cover, a modification to the contract for the correct award fee amount. Please work with the NASA Shared Service Center (NSSC) to facilitate final adjustment.

We look forward to the continued support for the ESES II work and mission of NASA's GSFC.

Sincerely,

Dennis J. Andrucyk
Director, Applied Engineering and Technology Directorate

National Aeronautics and Space Administration
Goddard Space Flight Center
Greenbelt, MD 20771

April 23, 2014

Reply to Attn of: 500

Mr. Greg Einfalt
ASRC Space & Defense (AS&D), Inc.
7000 Muirkirk Meadows Drive
Suite 100
Beltsville, MD 20705

Dear Mr. Einfalt:

The Government has completed its evaluation of the performance of ASRC Space and Defense Inc. (the Contractor) under contract NNG13CR48C for Electrical Systems Engineering Services II (ESES II) for the first evaluation period dated September 1, 2013, through February 28, 2014. The Contractor is awarded $1,269,173 or approximately 84% of the total available fee of $1,519,968. The Contracting Officer (CO) will forward, under separate cover, a modification to the contract for the amount of award fee earned.

The following is a summary of our findings:

Technical Performance

The Technical Performance category was rated as "Excellent" with an overall score of 91.3%.

There were a total of 93 active tasks during this period. Government Task Monitors (TMs) representing the various GSFC projects evaluated and rated tasks in accordance with the criteria set forth in the contract Performance Evaluation Plan. These projects include, but are not limited to MMS, GPM, ICESAT-II, JWST, OSIRIS-REx, Astro-H, SMAP, DSCOVR, MOMA, TDRS, GOES-R, LADEE, Code 600 Tasks, Parts & Radiation, and Detectors/Code 550 Technology Tasks.

A summary of the technical performance findings from this period includes the following:

The Contractor support has been outstanding and flexible and has been able to support the ever-changing needs of the Fast Plasma Instrument (FPI). The Instrument Manager was very pleased with the support and the team won the Robert H. Goddard Award for Engineering.

The Contractor, during this time period, supported the GPM Command & Data Handling (C&DH) Product Development Lead (PDL) in the final stages of the GPM Observatory Integration & Test (I&T). The Contractor team performed excellently in supporting all of the

required pre- and post-ship comprehensive performance tests, contingency meetings, and travel to Japan. The subcontractor, BAE Systems, responded quickly to questions when they came up.

The Contractor team did an admirable job of addressing the needs of the branch, the project, and the Advanced Topographic Laser Altimeter System (ATLAS) I&T program. A large number of companies needed to be involved, and the prime Contractor worked hard to assemble the team using multiple subcontract arrangements, some of which were challenging to get put into place as the ESES II contract got underway.

The Contractor provided the design, fabrication, and test of the ATLAS thermal control hardware. The Contractor has done an excellent job in all regards of delivering a quality product. The work orders and documentation are correct, thorough and complete. The technician workmanship is excellent and each assembly was carefully inspected and was always found to be acceptable by project quality assurance. The Contractor communication on this task is excellent. Often, the thermal team would change priorities, or deliver one thing when we were expecting another. The Contractor was flexible and worked to try and meet these changes of direction and priorities.

The Contractor, and in particular their subcontractor Jackson & Tull (J&T), showed exemplarily team work in the design, development, build and test of the Deployment Unit Converter (DUC). Communication was highly effective between the Contractor, subcontractor and the government. Issues were brought to the government's attention quickly and resolution plans quickly agreed upon and executed. The risk management process identified risks early, potential impacts were analyzed, and mitigations developed quickly with cost and schedule in mind. For example, the critical design review of the DUC identified risks with MOSFETs that were being used in the design. Risk mitigations were identified and ultimately implemented resulting in no loss of schedule for the flight unit.

The Contractor provided an excellent level of quality for all the required services. The Contractor demonstrated their technical expertise and competencies not available from civil servants at GSFC. This included end-to-end radio frequency (RF) communications systems engineering, in-depth knowledge of the spacecraft subsystem components, and expertise of on-orbit operations with various NASA RF communication assets. The Contractor maintained excellent communications with the Origins Spectral Interpretation Resource Identification Security -- Regolith Explorer (OSIRIS-REx) project management, the engineering leads, and the Task Monitor.

The Contractor provided dedicated on-site support for the Tracking and Data Relay Satellite (TDRS) Payload Subsystem in the following areas: requirements review, requirements traceability, and documenting specified and lower-level derived requirements to demonstrate that performance requirements were met. The Contractor demonstrated excellent experience on spacecraft communication systems, flight antenna systems, payload microwave active and passive components.

The Contractor was instrumental during the transition period by evaluating lab personnel and bringing along key competencies for smooth and effective operation of the organization. For any problems that arose, the Contractor team promptly notified stakeholders and resolved the issues. The Contractor Mission Assurance Safety Manager diligently worked with the Branch Safety Officer and other lab personnel to assure safety compliance and to further improve safety and health concerns for all members of the lab. In addition, all lab personnel safety trainings were up to date and all internal safety audits were well-supported and completed satisfactorily with no incidents or violations reported. The Contractor was also instrumental in helping GSFC flight projects mitigate risks through testing and analysis of various transistors from Semicoa and HV801 parts from Micropac used in various flight projects.

The Contractor provided repair and test engineering services during this timeframe for Code 450. Due to the nature of this type of support (repair effort), the activities have been understandably unpredictable, especially when the failure modes are unknown and the design unfamiliar. The Contractor has done an excellent job with this effort; the support was very effective, professional, and innovative with their approaches to handling the challenging situations regarding the repair and testing. The Contractor was always timely with each portion of the effort, and managed frequent changes in the direction carefully and appropriately. The Contractor always had excellent, highly-developed approaches and communicated well with the Government.

The Contractor did an excellent job this period with the technical effort for NASA Search and Rescue (SAR). Significant effort went into the system upgrade of the SAR Lab, which was a one-time, large-scale upgrade above and beyond a typical refresh. The work also required meticulous and significant testing, which had to be carefully scheduled around other activities, including international coordination. The Contractor also performed demonstration and evaluation international technical testing with significant support in leading these activities. The second generation beacon work made significant progress on message structure and waveform development, involved international discussions, and lead international efforts on spread spectrum technology. The Contractor also provided a thorough review of documentation in preparation for the SAR/Global Positioning System (GPS) Payload Preliminary Design Review (PDR) and provided feedback to the board.

The Contractor demonstrated in-depth understanding of technical requirements, provided the technical competence necessary to perform the assigned tasks, and contributed to high-quality technical work products that were completed by scheduled deadlines. The Contractor's ability to serve as a highly-productive member on a variety of a multi-discipline, multi-NASA teams added tremendous technical value to a dynamic project environment that addressed real-time, urgent engineering and safety challenges.

The following are deficiencies that the Government would like to see corrected in the next evaluation period:

The Contractor has been effective in subcontracting to the appropriate team with the appropriate experience to meet the customer's requirements. However, the interaction between the prime and subcontractors has been less than conducive to efficient work flow. There has been internal programmatic tension.

The Contractor experienced growing pains and their procurements took too long through their process. Things are starting to improve and hopefully this trend will continue. The technical staff is dedicated and doing a good job staying on schedule to the best of their ability as the scope grows and new tasks are added.

The Contractor was required to abide by the onsite Safety and Security regulations. During a recent mishap incident, 27% of the production wafers were lost due to handling mishaps. The Contractor was made aware of this incident, but the questions that were asked by the Contractor of the onsite personnel showed a lack of knowledge of practices and handling procedures in the lab.

Business Management

The Business Management category was rated as "Good" with an overall score of 74.9%.

1. **Contract Administration and Compliance –**

During Evaluation Period 1, ninety-three (93) task orders were initiated and thirty-one (31) task modifications were processed. Performance Period 1 was notably challenging as it required the transition of approximately 100 ESES Interim contract tasks to the new ESES II contract. In order to ensure the continuity of activities for these transitioned tasks, the Contractor worked diligently to attract and hire incumbent staff. At the end of the Phase-In period, the Contractor did excellent in securing over 90% of the incumbent workforce. However, fifty-two percent (52%) of the initial proposal submissions had to be resubmitted multiple times (thirty-eight tasks – 2 times, eight tasks – 3 times, Task 61 – 4 times, & Task 24 – 6 times). During the month of September 2013, in particular, the Contractor submitted approximately 35 late task proposals (28% of total) on average 14.5 calendar days past the proposal due date. The Contractor's task proposals required revisions including providing missing subcontractor documents, materials basis for estimate, travel BOE's, and on occasion uploading incorrect task documents.

During the first month of the contract (September 2013) there were seventy-nine (79) authorizations to proceed (ATPs) requested by the Contractor. The ATP amounts requested were ultimately deemed disproportionate in cost to the technical requirements of the subject tasks; the ATP amounts were subsequently lowered based on historical data. The revised ATP amounts saved the Directorate 17% in planned cost and fee totaling $662,105.50 and $19,863.17 respectively. In the Contractor's proposal, Section B.7.5: Techniques to Assure Cost Effectiveness (page 105 in the Mission Suitability Volume II – Management Section), there is discussion of your knowledge of ESES technical requirements and effective cost management, which was not demonstrated in the initial ATP requests.

During the last three months of this period (December 2013 – February 2014) changes in the Contractor's labor categories were not communicated in a timely manner to the Task Monitors. One example is when the Contractor changed their originally proposed management staffing mix of Group Leads and Task Leads per task, to add a Documentation Specialist. This change was not communicated to the Task Monitors until a modification was submitted or when the 533 Monthly (533M) was released adding this labor category. Another example is when the Contractor proposed at the beginning of the contract that a Safety Officer and Mission Assurance Safety Manager be part of any task that required laboratory work. Although, a Safety Officer was not hired until early February 2014 this labor category was always proposed. The Contractor however utilized the labor category of a Quality Assurance Engineer II and added the duties of a Safety Officer without explanation or notification to the Task Monitors.

Deliverables:

During the initial meetings with the Contractor, the contract deliverables schedule were reviewed and an acknowledgement was signed which stated, "The above deliverable schedule has been reviewed and accepted and will be adhered to in accordance with the contract guidelines until such time the government has officially modified such schedule". Formatting for the various monthly and quarterly reports was scheduled in support of this contract effort. During these meetings the Contractor was very amenable to support all reporting requirements. Below are specific examples where the Contractor did not meet deliverable schedule but was amenable to fix the problem to meet requirements:

- The Organizational Conflicts of Interest (OCI) Avoidance Plan was due 30 days after contract award. Both the ESES II CO and GSFC Attorney provided feedback to the Contractor within the 30 day period. The Contractor, as of the end of the performance period, has not delivered a final OCI Avoidance Plan. The Government looks forward for the plan to be delivered and this action be closed out next performance period.
- The Foreign travel requests during the first four months of this period were not submitted timely (less than 30 days) and included multiple errors requiring revisions (missing funding details and/or incorrect destination identified). Administrative issues such as travel preparation, travel, and reimbursement hampered the Contractor's ability to perform their assigned duties efficiently. There were at least two foreign trips taken without prior CO approval (Tasks 89 and 30). Trip reports, have either not been timely or not in accordance with the contract requirements, 1852.242-71 Travel Outside of the United States. The Contractor has made several process review changes internally that have aided in the submission of more accurate and complete foreign travel request.
- Safety and Health Reporting experienced a slow start in providing the necessary information in a format that was functional. With several adjustments over the first few months (September 2013 – December 2013), there is a report format now that supports the needs of the contract. However, there have been at least two incidents (Close Call and Mishap) during this performance period and the CO or Contracting Officer Representative (COR) were not notified until receipt of the monthly report (IRIS report numbers S-2013-340-00005 and S-2014-043-00001).

The contract states in 1852.223-70 Safety and Health and GSFC 52.223-91 Safety and Health-Additional Requirements, "The Contractor shall immediately notify and promptly report to the Contracting Officer or a designee any accident..."

- The Health and Safety Plan was due 30 days after contract award. The Contractor delivered their Health and Safety Plan for review and signature on February 7, 2014, which was five months late. Currently, final review of the plan is with Code 350. The Government looks forward for the plan to be delivered and this action be closed out next performance period.

Below are specific examples where the Contractor did meet deliverable schedule:

- The Contractor IT Security Management Plan was submitted timely to the Government. There were concerns from the GSFC ITCD Strategy & Planning Office, Code 702, related to invalid system and category types being defined. GSFC Electrical Engineering Division sent the combined (Codes 560 & 702) comments to the Contractor on February 27, 2014. The Government looks forward for the plan to be delivered and this action be closed out next performance period.
- Monthly technical reports have been submitted on time for most tasks and subtasks with minimal errors, in accordance with the Reports of Work outlined in the contract. Once notified of the errors the Contractor was quick to make the necessary corrections.
- The Contractor's submission of the PIV reports has been timely with no concerns.

2. Contract Changes –

During the negotiation of ATPs and/or with notification of Stop Work concerns, the Contractor has elected to be non-responsive to the CO. During this period there was an example on Task 53 (GPM Spacecraft Communications) where a Stop Work notification was issued with no follow up communication to the CO or COR. The Contractor used the Task Order Management System (TOMS) journal entries to notify the Government of such critical actions versus placing a phone call or e-mail, which had been the initial communication method. This particular action caused a Contractor employee to leave right in the middle of a critical GPM Mission Rehearsal. After the above incident, a process for communicating the above concerns to the CO was established, however in early November 2013 the CO had to revisit the process. Recently the CO, Contracts Administrator, and Business Manager have instituted a bi-weekly tag-ups to ensure there is continuity to services, and to review and resolve any contractual concerns.

3. **Financial Reporting –**

After two months (September 2013 and October 2013) of 533(Monthly & Quarterly) Financial Reporting submissions the Contractor continued to contest the contractual financial reporting requirements and suggested an alternate format. To date the Contractor is still not in compliance with the Financial Reporting requirements. This has been a topic of our previous monthly tag-ups, and on December 18, 2013 the Contractor was also advised in writing that the expectation was to submit the 533M & Q reports as outlined in the contract Attachment C and Amendment C (both provided to the contractor again) and in accordance with 1852.242-73 NASA Contractor Financial Management Reports and GSFC 52.242-90 Financial Management Reporting.

4. **Subcontract Management –**

During this evaluation period, the Contractor has not been timely in the negotiation of contracts with subcontractors as needed to ensure that there were no disruptions in services for task orders transitioning from the previous Contractor as well as other contracting vehicles.

5. **Responsiveness of Upper Management –**

There have been several occasions where the CO or COR have had to request further clarification on reporting errors, changes to task plans among other things that the Contractor should take the initiative to communicate to the government.

6. **Equal Employment Opportunity (EEO) –**

During this first period the total workforce of the Contractor was 173. Detailed EEO data was provided for the workforce categories as delineated in the EEO-1 form. The Contractors' representation of minorities and women in the "Total Workforce" category reflects parity below norms in all groups. In the "Officials & Managers" category, the "Minority" group is above norms, while the "Female" and "Minority Female" groups are below norms. In the "Professionals" category, the "Minority" and "Female" groups are above norms, while the "Minority Female" group below norms. The Contractor should take action to reach parity in the underrepresented areas and should initiate recruitment, career development activities, training programs, and other activities to improve representation.

During this reporting period, the Contractor submitted their recruiting, career development initiatives, and community outreach activities.

Recruitment and Career Development Initiatives:

The Contractor is committed to fostering employment and career advancement opportunities for minorities in management and technical support fields. The Contractor promotes diversity in recruiting experienced staff; the Contractor utilizes organizations representing minority groups in engineering. The Contractor has and will advertise job opportunities in the publications of these organizations and recruit at events hosted by them. Organizations that the Contractor has engaged for recruiting at past events and has plans to utilize in the future include: Women in Science and Engineering; National Society of Black Engineers; and ARMY: Transition Assistance Program (TAP).

Community Outreach Activities:

The Contractor is actively supporting the National Space Club and its educational objectives. The Contractor is particularly proud of their support of the Maryland Space Business Roundtable (MSBR) and its extensive role in promoting educational initiatives that will help to build the workforce for tomorrow, especially in the areas of science and technology. Through their support to MSBR and its initiatives, the Contractor provides funding to multiple initiatives including but not limited to the following educational outreach programs: Solar System Competition; Girl Power!; STEM Timeline Project; FIRST: Chesapeake Regional; and FIRST Robotics in Maryland.

In addition to their local communities, they support their shareholders and their efforts to increase educational activities on Alaska's North Slope. The Contractor provides annual funding to the Arctic Education Foundation for its general scholarship fund. ASRC provides funding for college interns through the American Indian Science and Engineering Society (AISES) summer internship program. The selected AISES interns work in the Contractor headquarters office or on a subsidiary contract site.

7. **Government Property** –

The Contractor has had issues with Government Furnished Equipment (GFE) provided for offsite use this performance period. After being informed on August 29, 2013 that any GFE provided would be accountable and liable to the Contractor by initiating a record, no GFE was accounted for on the FY2013 NF-1018. The Contractor was previously informed that any Government Owned Property provided for offsite use even if item was returned daily to center (go on and off center) would be accountable to contract/contractor and property would be transferred to the Contractor . The Government wouldn't account for items again until official return of accountability to NASA via form GSFC 20-4 or DD 1149.

Cost Control

The Cost Control category was rated as "Very Good" with an overall score of 76.7%.

The actual vs. planned costs in this period had a high variance of 20.3%. The Government experienced a seventeen calendar day furlough in October which presented a difficulty for the Contractor in hiring the remaining incumbent staff. However, the furlough is only a small part of the variance. With the month of October removed, the actual vs. planned cost variance would be at 14.4%.

The 533M report is due the 10th working day following the close of the contractor's monthly accounting period. The 533M was received on-time or before due dates. For the month ending in November 2013, the 533M had to be revised due to errors but it did not cause any problems for the monthly cost accruals. Monthly subtask cost reports have had revisions due to errors but were quickly revised and resubmitted.

The Contractor had challenges with exceeding manpower levels and subcontractor work share allocations resulting in a few significant cost overruns. For example, better staff oversight and direction would have enabled the Contractor to mitigate some of the issues and inform the Task Monitor before overruns would have occurred on Task 10 (OVIRIS Focal Plane Electronics). A conference call was initiated on February 11, 2014 to discuss additional cost and fee to continue the work on this task. The outcome of that conference call was to increase funding to $341,461 with a compromise of additional fee of $5,122.

The Contractor Business Manager and Financial Analyst have been responsive to inquiries about the 533M, subtask cost reports, and provided information as needed.

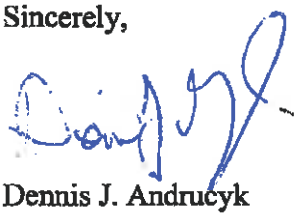
Summary

In summary, the government was pleased with the overall performance of the Contractor and its continuing efforts to meet and exceed customer expectations during this performance evaluation period. The Contractor did excellent in their technical efforts; this included their success in securing over 90% of the incumbent workforce and their successful support during the launches of LADEE, MAVEN, and GPM.

During this performance period the Contractor struggled with effective and timely communication. There have been multiple meetings, e-mails, and other communication interfaces between the Contractor, CO, COR, and Contractor team members that have resulted in numerous miscommunications. The Contractor management team was not aligned with their own Group and Task Leads with regards to internal processes and communicating contract needs. In some cases, the Contractor had to resubmit task plans and cost proposal estimates multiple times before meeting the requirements of the Task Monitor's Statement of Work.

However, the Contractor has become amenable to the Governments' requests and is making attempts to be more responsive to all contract and task deliverables. As noted, this period of performance was challenging with numerous lessons learned. There has been a team established between the Contractor and the Government to ensure technical and business efforts is addressed. The Contractor's contribution and focus to the success of the GSFC mission is evident and the Contractor is expected to take steps to ensure continuity.

Sincerely,



Dennis J. Andrucyk
Fee Determination Official

Enclosure

cc:
100/C. Scolese
210/K. Jonas
560/R. Lebair
560/A. Sanders
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