

National Aeronautics and
Space Administration

John H. Glenn Research Center
Lewis Field
Cleveland, OH 44135-3191



May 24, 2007

Reply to Attn of: DB

Mr. John W. Morton
ASRC Aerospace Corp.
21000 Brookpark Road
Cleveland, Ohio 44135

Dear Mr. Morton:

The Award Fee Evaluation Board for the Glenn Engineering and Scientific Support-2 (GESS-2) Contract NNC06BA07B met on May 16, 2007, for the purpose of determining the fee awarded for the first evaluation period, which ran from August 1, 2006 through March 31, 2007.

The input from the Board indicates that your performance over the first period was excellent. Technical performance, as rated by the NASA Technical Representatives, was excellent with 196 of 200 task orders (TOs) rated "Excellent" or "Very Good." Three TOs were rated "Good" and one received a rating of "Fair." While there is nothing wrong with such ratings, I would hope that it is your intent to see every task receive a rating of "Excellent." You also received a rating of "Excellent" in the area of cost control, and a "Very Good" on the business management factors.

The numerical rating of technical performance, cost control, and business management factors resulted in a raw award fee score of 95.72 percent. However, I wanted to recognize your efforts in several other areas as well. The contract transition was efficient, and most importantly, avoided the disruption of ongoing work. I was also pleased to see your efforts expended toward maintaining a qualified workforce through competitive salary and benefits. I was especially pleased with ASRC's decision to obtain health care coverage from the Cleveland Clinic. This was not a contract requirement, and it is indicative of your commitment to maintaining a qualified workforce and employee morale, for which I commend you. Similarly, I am pleased with your efforts in the area of equal opportunity. It can be difficult to attain diversity goals in a time of shrinking labor requirements, but our Equal Opportunity Specialist tells us that your efforts are solid, and I trust that as anticipated labor growth occurs, you will meet or exceed all such goals.

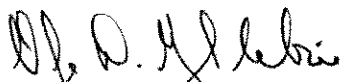
In consideration of these factors, I am raising your score to 97 percent of the total award fee pool of \$900,583 for a total award fee of \$873,566. I commend your efforts in all areas of performance, and extend the appreciation of the entire staff of Glenn Research Center (GRC) for your contributions to our continued success.

While overall performance has been excellent, the government team informs me of some issues with respect to corporate responsiveness and the autonomy of the local Business Office that need to be addressed. In areas such as the ATOMS information system, we rely on its reliability and validity to serve our numerous customers, and any delays or interruptions would be considered serious lapses. Lack of local control means that corporate must respond quickly to outages or problems, and there have been instances when response time was unacceptable. Voucher submissions, billing system issues, and requests for ad hoc reports also need to be given prompt attention to ensure the avoidance of any future problems. Your shared services concept can be a way to maximize efficiencies, but it must not be at the expense of effectiveness.

Contract modifications currently must be sent to ASRC Headquarters. In at least one case, it took several weeks to obtain a signature, which is unacceptable and in direct conflict with your proposal. In your proposal, you indicated complete empowerment of your local team, ensuring "...timely, same day decision making, and timely negotiation and execution of contract modifications." We expect ASRC to fully implement the terms set forth in your proposal, and this situation should be corrected.

Finally, GRC anticipates some influx of additional work. We are relying on the corporate resources and reach-back capabilities mentioned in your proposal to affect a rapid response to the staffing and start of performance on critical new tasks. While the responsiveness of the local Business Office has been excellent, we will look forward to your efforts at improving the responsiveness of your corporate staff.

Sincerely,



Olga Gonzalez-Sanabria
Fee Determination Official