Selection Statement for the Safety and Mission Assurance (S&MA) Services

RFP NNM06AA82C

On December 20, 2006, I along with other senior officials of the George C. Marshall Space Flight Center (MSFC) met with the Source Evaluation Board (SEB) appointed to evaluate proposals in connection with the Safety and Mission Assurance Services.

I. PROCUREMENT DESCRIPTION

The Director of the MSFC appointed members of the SEB, which included representation from the Industrial Safety Office, the Safety and Mission Assurance Office, the Engineering Directorate, and the Procurement Office. To aid in the evaluation, the SEB appointed technical evaluators with expertise in appropriate disciplines in order to provide assessments of proposal strengths and weaknesses. The SEB utilized this information in conjunction with the predetermined evaluation factors and subfactors in formulating its assessment of the strengths and weaknesses for each Offeror.

The Request for Proposals (RFP) for the Safety and Mission Assurance Services (S&MA) was released on May 31, 2006. The RFP required the Offerors to provide the necessary management, personnel, equipment, and supplies to provide the services associated with the planning, implementation, and assessment of System Safety Engineering, Industrial Safety, Reliability and Maintainability Engineering, S&MA Management Information, Quality Assurance/Engineering, Project Assurance, Risk Management, Independent Assessment, and Documentation and Report Support elements for the MSFC Safety and Mission Assurance Directorate.

In addition, the successful Offeror would perform surveillance of assigned MSFC in-house and contracted design, development, manufacturing, and testing activities, for both hardware and software, to assess compliance with NASA MSFC Safety, Reliability, Maintainability, and Quality Assurance policies, requirements, and controls. The successful Offeror would assure that management assessment information is provided in a timely manner to the MSFC S&MA Directorate to support the decision-making process regarding open problems, hazards, and risks pertaining to accomplishing MSFC's mission. This effort will include operation and maintenance of the S&MA Management Information Processes. The tasks would be performed principally at the MSFC locale; however, occasional travel to contractor facilities, NASA Headquarters, and other NASA installations may be required. The focus of these services is expected to transition from sustaining Space Shuttle propulsion elements to design/development/manufacture of the Crew Launch Vehicle and other space exploration systems.

This effort will be performed under a cost reimbursement, indefinite delivery, indefinite quantity (IDIQ) type contract. Fee will be evaluated for both award fee and award term fee. Under the resulting contract, task orders will be issued authorizing work. The contract consists of a two-year base period with three options years; in addition, the

contractor may earn five additional award term years. Therefore, the period of performance of the contract will be a maximum of ten years from the date of award.

Three amendments were issued to the RFP:

Amendment No. 1 was released on June 20, 2006, and provided Offerors with answers to written questions received in response to the RFP as well as revisions to the RFP. These revisions included (1) clarification of the application of fee on the fully burdened/composite not-to-exceed labor rates, (2) allowance of each Offeror to collectively submit up to ten past performance interview/questionnaires, (3) an extension in the delivery date for past performance interview/questionnaires, (4) the requirements to identify the ratio/percentage of prime and teammates/subcontractors performing work efforts, and (5) requirements for additional detail regarding past performance data and tabular changes to correct a Mission Suitability cost realism point adjustment table.

Amendment No. 2 was released on June 29, 2006, and provided Offerors with answers to a final question submitted in response to the RFP as well as revisions to the RFP which allowed each Offeror to collectively submit up to 20 pages of Technical Expert Personnel information.

Amendment No. 3 was released on October 23, 2006, and provided Offerors the most recent statement for equivalent rates for federal hires and the Service Contract Act wage determinations.

The Government designated this procurement as a 100 percent small business set-aside under Federal Acquisition Regulation (FAR) Part 19.5. The procurement was conducted as a full and open competition in accordance with FAR Part 15, entitled "Contracting by Negotiation." On July 17, 2006, proposals were received from the following companies:

A-P-T Research, Inc.
4950 Research Drive
Huntsville, AL 35805

Hernandez Engineering, Inc.
17625 El Camino Real, Suite 300
Houston, TX 77058

II. EVALUATION PROCEDURES

The proposals were evaluated in accordance with the procedures prescribed by FAR Part 15 and NASA FAR Supplement (NFS) Part 1815. The Government evaluated the proposals in two general steps:

Step One – An initial evaluation was performed to determine if all information had been provided and that the Offeror had made a reasonable attempt to present an acceptable proposal. No proposal was determined to be unacceptable.

Step Two – All acceptable proposals were evaluated against the three evaluation factors contained in the RFP. Based on this evaluation, the Government had the option to utilize one of the following methods: (1) Make selection and award without discussions; or (2) after discussions with all the finalists, afford each Offeror an opportunity to revise its proposal, and then make selection.

Selection and award is in accordance with the "Best Value Selection" (BVS) technique delineated in the RFP. A best value selection seeks to select a proposal based upon the best combination of cost and qualitative effort, which includes Mission Suitability and Past Performance. The BVS evaluation is based upon the premise that, if all proposals are of approximately equal qualitative merit, award will be made to the Offeror with the lowest evaluated Cost. However, the Government will consider awarding to an Offeror with the higher qualitative merit if the difference in Cost is commensurate with added value. Conversely, the Government will consider making award to an Offeror whose proposal has lower qualitative merit if the Cost differential between it and other proposals warrants doing so.

The RFP prescribed three evaluation factors considered essential in an offer: Mission Suitability, Cost, and Past Performance. Offerors were advised that the three factors were essentially equal in importance. However, Qualitative Merit, including Mission Suitability and Past Performance, would be considered significantly more important that Cost when combined.

The three evaluation factors were described as follows:

Mission Suitability: The proposals were analyzed for the excellence of the work to be performed, including management and technical subfactors, as well as proposal risk. Mission Suitability consisted of three subfactors, and each subfactor received both an adjectival rating and a numerical score:

A. Management and Technical Approach (600 points)
B. Staffing and Total Compensation Plan (300 points)
C. Safety and Health and Environmental Plan (100 points)

Overall, each Offeror could receive a total of 1000 points and a commensurate adjectival rating in Mission Suitability. The applicable adjective ratings were "Excellent," "Very Good," "Good," "Fair," and "Poor." The definitions for the adjective ratings and percentile ranges are contained in the Evaluation Plan.

Cost: The proposed costs were evaluated for reasonableness and completeness of all cost components for the base period, all option periods, and all award term periods. The cost factor was evaluated to determine whether the proposed cost was reasonable and/or complete/realistic, and to ensure all Performance Work Statement (PWS) requirements are reflected in the cost proposal. The evaluation addressed the sum of the resources, skill mix, and labor categories required to realistically conduct the S&MA services, as

proposed by the Offeror. Unrealistic or unreasonable costs and inconsistencies between the Mission Suitability volume and the Cost volume were assessed as a proposal risk.

Past Performance: Includes the overall corporate past performance of the Offeror and any proposed subcontractors or teaming partners, on comparable or related procurement or project efforts. Emphasis was given to the extent of the direct experience and quality of past performance on previous contracts that were highly relevant to the effort defined in the PWS. Past Performance is not numerically scored; however, an adjectival rating was assigned. The applicable adjective ratings were "Excellent," "Very Good," "Good," "Fair," and "Poor." In order to not discourage the formation of new firms that fit these criteria, firms with no relevant past performance received a neutral rating of "Good" consistent with RFP Section M.5(e)(2)(iii).

III. DISPOSITION AND EVALUATION OF INITIAL PROPOSALS

All offers received were determined to be acceptable and were evaluated consistent with the criteria identified in the RFP. The initial findings of the Source Evaluation Board were presented to me, the Source Selection Authority (SSA), on October 19, 2006. Both Offerors, A-P-T Research, Inc. (APT) and Hernandez Engineering, Inc. (HEI), were determined to be in the competitive range.

By letters dated October 20, 2006, the two firms were advised of their status and provided with their respective weaknesses and clarifications identified during the evaluation of their proposals. The letters established October 30, 2006, as the due date for all written responses. Accordingly, October 31, 2006, was established as the date for oral discussions with HEI, and November 1, 2006, was established as the date for oral discussions with APT. Oral, written, and telephonic discussions continued with both firms throughout the week of October 31 through November 7, 2006.

On November 8, 2006, a letter requesting Final Proposal Revisions (FPRs) was sent to APT and HEI with a due date for receipt of FPRs on November 16, 2006. Upon receipt of the FPRs, the Government discovered that its communications to one of the Offerors may have caused confusion about the FPR page limitation; therefore, on November 27, 2006, the Government reopened discussions in accordance with NFS Part 1815.307(b)(ii) and clarified the page limitation. The Offerors were asked to re-submit the Mission Suitability and Past Performance volumes of their FPRs on or before December 4, 2006, in compliance with the instructions provided in the November 27, 2006, letter. HEI did not resubmit its FPR and relied upon its November 16, 2006, submission because the Offeror correctly determined that its original response was within the page limitations; APT, however, submitted its revisions on December 4, 2006. Subsequently, these final proposals were evaluated consistent with the criteria identified in the RFP.

IV. Evaluation of Final Proposal Revisions

As a result of the discussion process and the Final Proposal Revisions, both Offerors, determined to be finalists, increased their Mission Suitability numerical scores; however, only HEI eliminated all of its Mission Suitability weaknesses and increased its adjectival rating. The Past Performance adjective rating for both Offerors did not change. In addition, both Offerors revised their Cost Proposals based upon discussions. The final evaluation results of the FPRs are summarized below.

APT Research, Inc.

In the Mission Suitability factor, APT received an overall adjective rating of Very Good. APT had no deficiencies or significant weaknesses; however, APT had one remaining weakness and generated one additional weakness.

Under the Management and Technical Approach subfactor, APT received an adjective rating of Very Good. APT received two significant strengths, fourteen strengths, no significant weaknesses, and one weakness. These findings are summarized as follows:

Significant Strengths: 2

· APT proposed a suite of sixteen state-of-the-art engineering and assessment tools that were developed by the proposed teammates. In addition, these tools have received the International System Safety Conference Scientific and Research Development Award.

· APT proposed a discipline-based organizational structure that efficiently supports each IDIQ task and aligns with the PWS. APT's proposal of a two level management system will streamline the management structure and empower professional employees.

Strengths: 14

· APT assembled a team of companies with specialized knowledge and experience in Systems Safety and Reliability Engineering.

· APT proposed a Project Assurance Engineer to lead each task order and ensure continuity of effort from task initiation to completion.

· APT proposed a Program Manager with local autonomy to hire and dismiss team personnel from the contract, accept assignments, and release completed work.

· APT proposed a management panel that will promote fair awards processes among all teammates and determine incentive awards and an award fee sharing arrangement with employees.

· APT and its team developed an OCI Avoidance Plan to maintain compliance throughout the life of the contract and comply with the Organizational Conflicts of Interest provisions of the RFP.

· APT proposed a detailed, multi-faceted, four-prong communications approach within the team and the Government.

· APT proposed a seven-step analytical process to provide product assurance thereby enabling deliverables to meet the schedule and technical requirements.

· APT and its teammates have corporate offices located in Huntsville, Alabama, which ensures administrative support and technical resources as needed.

· APT proposed an Automated Electronic Task Order Management System (AETOMS) composed of commercial off-the-shelf software that is available at contract start.

· APT proposed the use of its local Safety Engineering and Analysis Center, library, and publications department to the MSFC S&MA employees at no additional contract cost.

· APT demonstrated a clear understanding of the support requirements for the program critical hardware move of flight hardware in Sample Task 4.

· APT provided a clear description of its role in implementing the MSFC Marshall Management System while being proficient in the use of the Capability Maturity Model Integration. In addition, two teammates are ISO certified, and one teammate is obtaining ISO certification.

· APT demonstrated a thorough knowledge of the Export Control processes and a well-defined export control decision flow process.

· APT provided a well-conceived risk analysis and mitigation approach for all Management and Technical Approach performance risk factors.

Weakness: 1

· APT's FPR response, with regard to an initial weakness pertaining to performance of Sample Task 3, contained ambiguities between performing an oversight role and the required full-up support role of the contractor.

Under the Staffing and Total Compensation Plan subfactor, APT received an adjective rating of Excellent. APT received two significant strengths, eleven strengths, no significant weaknesses, and one weakness. These findings are summarized as follows:

Significant Strengths: 2

· APT provided excellent salary bands, 100 percent employee ownership, and excellent benefits which will enable retention of highly qualified technical employees.

· APT proposed a Program Manager with sixteen years of extensive aerospace S&MA technical and management experience on NASA and DoD contracts as well as excellent past performance references. The Program Manager is well-qualified as evidenced by Ph.D. and M.S. degrees in industrial engineering and various certifications.

Strengths: 11

· APT and its teammates provide flexibility in response to demand variations through "reach back" to obtain additional resources during growth phases and downturns.

· APT proposed a Deputy Program Manager with over ten years of technical aerospace system safety experience, five years of system safety management experience, excellent past performance references, a B.S. in mathematics, and an active record of leadership in the System Safety Society.

· APT proposed a thorough phase-in plan including a phase-in team identified by name, specific responsibilities assigned to individuals, and a precise schedule for all actions and decisions.

· APT proposed excellent educational requirements for engineering/professional, information management professional, and business management professional position descriptions.

· APT proposed a Reliability/Maintainability Manager with over ten years of technical and team lead Reliability and Maintainability experience, good past performance references, a B.S. in Aerospace Engineering, and an M.S. in Systems Engineering.

· APT proposed a Quality Assurance Lead with over ten years of technical experience on NASA and DoD programs, four years of non-aerospace management experience, a B.S. in Mathematics, and a pending M.S.E. in Aeronautical and Electrical Engineering.

· APT proposed an Industrial Safety Manager with over thirty-five years of industrial safety technical experience, over ten years of management experience, excellent past performance references, a B.S. in Mechanical Engineering, a M.E. in Industrial Engineering, and certification as a Safety Professional and a Professional Engineer.

· APT proposed an Independent Assurance Manager with over thirty years of NASA Engineering and S&MA technical and management experience, very good past performance references, and a B.S. in Electrical Engineering.

· APT proposed a Risk Management Manager with over ten years of technical and managerial aerospace system safety and risk management experience on DoD projects, very good past performance references, a B.S. in Mathematics, and numerous technical publications.

· APT proposed a Product Assurance Manager with six years of S&MA aerospace technical and team leadership experience, several years of general management experience, excellent past performance references, a B.S. in Industrial Engineering, and a pending M.S. in Program Management.

· APT proposed well-qualified technical expert candidates with extensive experience in their fields of specialization for all requested disciplines.

Weaknesses: 1

· APT's FPR reflected Job Description Qualifications at an unacceptably low minimum rate for all Quality Assurance Specialists and Safety Specialists. Moreover, APT did not indicate that these jobs would be conformed under the contract.

In the Safety, Health, and Environmental Plan subfactor, APT received an adjective rating of Good. APT received no significant strengths, one strength, and no significant weaknesses or weaknesses. This finding is summarized as follows:

Strength: 1

· APT proposed a well-conceived risk assessment that identified risk factors and mitigation techniques for the Safety, Health and Environmental program.

In the Past Performance factor, APT received one significant strength, three strengths, and no significant weaknesses or weaknesses which resulted in the adjective rating of Very Good. These findings are summarized as follows:

Significant Strengths: 1

· APT and its teammates demonstrated excellent relevant past performance in both self and customer evaluations for Systems Safety Engineering, Reliability and Maintainability Engineering, Quality Assurance, and S&MA Information Management on contracts of comparable magnitude and scope.

Strengths: 3

· APT and its teammates achieved a zero lost time injury rate during the past three years of performance.

· APT demonstrated relevant past performance developing Safety software tools for DoD and NASA.

· APT's teammate, ARINC, demonstrated experience using the IDIQ Task Orders on an Army contract.

In the Cost factor, APT proposed a cost of $207.0M and a most probable cost of $215.0M. The only area of adjustment for most probable cost was the application of the general and administrative ceiling rate. The SEB determined the proposed cost was reasonable, complete, and ensured that all PWS requirements were reflected in the cost. After completing a most probable cost adjustment, the SEB gave APT a "high" cost confidence.

Hernandez Engineering, Inc.

In the Mission Suitability factor, HEI had no remaining significant weaknesses or weaknesses. HEI received an adjective rating of Excellent in Mission Suitability.

Under the Management and Technical Approach subfactor, HEI received an adjective rating of Excellent. HEI received four significant strengths, nine strengths, and no significant weaknesses or weaknesses. These findings are summarized as follows:

Significant Strengths: 4

· HEI proposed an excellent Automated Electronic Task Order Management System (AETOMS) that will be fully operational at contract start, can be upgraded to meet changing contract requirements, and can be maintained and operated by the local Information Management and Business Management office without special security waivers or special equipment.

· HEI proposed an approach that minimizes repetitive overhead and general and administrative charges, reduces contract management inefficiencies, promotes intra-organizational collaboration, increases morale, minimizes communication barriers, and enhances rapid reassignment of resources in response to the MSFC S&MA needs.

· HEI demonstrated overall excellent understanding of all five of the Sample Task Order requests by proposing sound assumptions indicating thorough knowledge of the requirements, appropriate resource allocations, and relevant products and services.

· HEI proposed an excellent discipline-based organization structure with a flat management structure and a matrix approach to staffing task orders to maintain strong S&MA discipline capability while providing resources to accomplish task orders.

Strengths: 9

· HEI proposed a low risk, clearly defined, flexible, detailed, and innovative approach to implement all task order work processing requirements.

· HEI described a complete and practical approach for assuring cost control as shown by HEI's process for estimating and planning task orders along with checks and balances in the task order lifecycle.

· HEI proposed a thorough and effective approach to closed-loop internal and external communications by using techniques to "push" information up to the next level, "pull" information from the lower levels, and use all communications means necessary based upon the level of urgency.

· HEI proposed a Program Manager with full local autonomy to hire, dismiss, promote, demote, accept assignments, and release completed work.

· HEI proposed an innovative approach to identifying new engineering/assessment tools through a Technical Process Improvement Working group and dedication of an Information Management Analyst to each S&MA department.

· HEI clearly defined a thorough process for assuring quality of services and products to be provided.

· HEI is fully compliant with the Organizational Conflicts of Interest provisions of the RFP and has developed an OCI Avoidance Plan to assure compliance throughout the life of the contract.

· HEI's corporate office is ISO 9001:2000 certified and proposed a thorough description of its role in implementing the MSFC Marshall Management System.

· HEI demonstrated detailed knowledge of the MSFC Export Control processes and a well-defined export control decision flow process.

Under the Staffing and Total Compensation Plan subfactor, HEI received an adjective rating of Excellent. HEI received two significant strengths, nine strengths, and no significant weaknesses or weaknesses. These findings are summarized as follows:

Significant Strengths: 2

· HEI proposed a Systems Safety Engineering Manager/Deputy Program Manager (SSEM/DPM) with extensive aerospace system safety and systems technical experience as well as over fifteen years of management experience on NASA projects. The SSEM/DPM has excellent past performance references, a B.S. and M.S. in Mechanical Engineering, and a professional engineering license.

· HEI provided a six-step approach for responding to fluctuating requirements which builds in a flexibility to respond to variations in resource demands.

Strengths: 9

· HEI provided very good salary bands and benefits which will be beneficial in hiring and retaining highly qualified technical employees throughout the life of the contract.

· HEI proposed highly qualified technical expert candidates with extensive experience in the required fields of specialization.

· HEI proposed a Program Manager with over fifteen years of MSFC S&MA experience, more than ten years of program management experience at MSFC, excellent past performance references, and a B.S. in Electrical Engineering Technology.

· HEI proposed a Technical Integration Manager with over fifteen years of MSFC S&MA experience, over ten years management experience at MSFC, excellent past performance references, and a B.S. in Electrical Engineering.

· HEI proposed a Quality Engineering and Assurance Manager with over twenty-five years of experience in quality on NASA and DoD programs, ten years of management experience on NASA programs, excellent past performance references, and a B.S. in Non-Destructive Evaluation.

· HEI proposed an Industrial Safety Manager with more than thirty-years of technical experience, less than one year of managerial experience, very good past performance references, a Ph.D. in Public Health, a M.S. in Industrial Hygiene, and certification as a Safety Professional and Industrial Hygienist.

· HEI proposed an Information Management Manager with over seventeen years of relevant technical experience, over ten years of MSFC management

experience, excellent past performance references, and a B.A. and M.S. in non-related fields with more than two dozen relevant training courses.

· HEI proposed a Business Manager with over fifteen years of business management experience of which eleven years are at MSFC, excellent past performance references, a B.A. in Business Administration, and a Contract Management certificate.

· HEI provided a detailed and practical approach to phase-in by implementing new systems to transition all work in progress to the new management system, preparing new budgets, coordinating with customers, adjusting to critical needs, maintaining communications with the task order initiators, and implementing the AETOMS.

In the Safety, Health, and Environmental Plan subfactor, HEI received an adjective rating of Very Good. HEI received one significant strength and no strengths, significant weaknesses, or weaknesses. This finding is summarized as follows:

Significant Strengths: 1

· HEI exceeded the RFP requirements by proposing a sound and detailed approach to implementing their Safety and Health Program which includes the establishment of a Safety Operations Committee, employee accountability, and quarterly formal self-evaluations.

In the Past Performance factor, HEI received an adjective rating of Excellent. HEI received two significant strengths, two strengths, and no significant weaknesses or weaknesses. These findings are summarized as follows:

Significant Strengths: 2

· HEI demonstrated excellent past performance in each of the eight S&MA disciplines as reported in self and customer evaluations.

· HEI demonstrated excellent performance on the MSFC S&MA Services contract for eleven years, achieved award fee scores averaging 97.7 percent, maintained a lost time injury rate of zero for the last three years, earned the MSFC Level I Industrial Safety Performance Award in 2004, received the MSFC 2004 Contractor Excellence Award for the Small Business Category, and attained a million hours without a lost time injury in 2005.

Strengths: 2

· HEI has relevant past performance on two current S&MA Service contracts of comparable scope, but lesser magnitude, at Ames and Glenn Research Centers.

· HEI was nominated and/or a finalist for five other NASA awards since 2002.

In the Cost factor, HEI proposed a cost of $156.0M and a most probable cost of $157.4M. The only area of adjustment for most probable cost was the application of the general and administrative ceiling rate. The SEB determined the proposed cost was reasonable, complete, and ensured that all statement of work requirements were reflected in the cost. After completing a most probable cost adjustment, the SEB gave HEI a "high" cost confidence.

V. DECISION

Immediately following the SEB presentation on December 20, 2006, I met in executive session with the key senior advisors, all of whom heard the presentation and were familiar with the RFP. These advisors included representatives from the Office of Safety and Mission Assurance, Office of Chief Counsel, and the Office of Procurement. I solicited and considered their views in reaching my decision. With respect to the process and findings, we concluded that the evaluation plan was followed, and the evaluation of the proposals was comprehensive, thorough, and well-documented.

During the presentation, the senior advisors and I thoroughly questioned the SEB on a number of points. We noted that the discussion process was well utilized because both APT and HEI increased their Mission Suitability scores; however, only HEI eliminated all of its Mission Suitability weaknesses.

I noted that a significant variance existed between the two Offerors due to the difference in numerical scores and/or adjectival ratings for both Mission Suitability and Past Performance. In Mission Suitability, HEI received an adjective rating of Excellent while APT received a rating of Very Good. The difference in numerical scores revealed that HEI had a notable advantage in the 600-point Management and Technical Approach subfactor of the Mission Suitability factor. In Past Performance, HEI received an adjectival rating of Excellent while APT received a rating of Very Good. In probing the SEB during its presentation and taking into consideration its evaluation of the proposals against the prescribed evaluation criteria contained in the RFP, I concluded the successful Offeror is Hernandez Engineering, Inc. The rationale for my decision follows.

HEI had the highest overall Mission Suitability adjectival rating and numerical score of the two Offerors. As stated above, HEI received an adjectival rating of Excellent. A comparison of the two Offerors in Mission Suitability revealed that HEI received higher adjectival ratings and/or numerical scores in two of the three Mission Suitability subfactors.

In the Management and Technical Approach subfactor, HEI received an adjectival rating of Excellent and APT received a rating of Very Good; in addition, HEI received a notably higher numerical score. First, we considered it significant that HEI proposed an excellent Automated Electronic Task Order Management System (AETOMS) that will be fully operational at contract start. In addition, the AETOMS is capable of upgrading to meet changing requirements, may be maintained by the local information and business management office staff, and will not require special security waivers, training or equipment from MSFC. Second, HEI proposed an approach that minimized repetitive overhead and/or general and administrative charges, reduced contract management inefficiencies, promoted intra-organizational collaboration, increased employee morale, minimized communication barriers, and enhanced HEI's ability to reassign resources across the performance work statement in response to MSFC S&MA needs. Third, we considered it significant that HEI demonstrated an overall excellent understanding of all five of the Sample Task Order Requests. Finally, HEI employs an excellent discipline-based organization structure with a flat management structure and a matrix approach to staffing task orders that will allow strong S&MA discipline capabilities while simultaneously providing the appropriate resources to accomplish task orders.

Conversely, it was noted during the SEB presentation that APT did not eliminate a remaining weakness in its FPR although given the opportunity to do so during discussions. We expressed concern that APT did not understand their role necessary to perform the hazard analyses and full-up S&MA services on Sample Task 3. In addition, APT received fewer significant strengths in the Management and Technical Approach subfactor.

In the Staffing and Total Compensation Plan subfactor, both Offerors received adjectival ratings of Excellent; however, APT received a slightly higher numerical score based upon the salary bands, employee ownership, and benefits packages as proposed by the Offeror. These benefits would enable APT to hire and retain highly qualified technical employees. In addition, APT proposed a Program Manager with extensive aerospace S&MA technical and management experience, excellent past performance references, relevant degrees, and various certifications.

Although the Offeror did receive an adjective rating of Excellent in this subfactor, APT's response generated a two-part weakness in its FPR because it failed to (1) state that job description qualifications would be conformed to the Service Contract Act (SCA) upon contract award, and (2) adjust the minimum values to meet or exceed the hourly wages of the Quality Assurance Specialist and Safety Specialist positions to the relevant SCA position descriptions. Moreover, the Staffing and Total Compensation Plan subfactor is worth half the weight (*i.e.*, 300 points) assigned to the Management and Technical Approach subfactor under Mission Suitability. Thus, APT's slightly higher numerical score in this subfactor would not compensate for the overall numerical advantage gained by HEI in both the Management and Technical Approach and the Safety, Health, and Environmental Plan subfactors of Mission Suitability.

In the Safety, Health, and Environmental Plan subfactor, HEI received an adjective rating of Very Good and a slightly higher numerical score than APT which received an adjective rating of Good. We considered it significant that HEI proposed a sound and detailed approach to implementing their Safety and Health program. Furthermore, HEI proposed the innovative use of a Safety Operations Committee, acknowledgement of employee accountability for safety, and quarterly self-evaluations which exceeded the RFP requirements. Conversely, APT did not receive any significant strengths in the Safety, Health, and Environmental Plan subfactor.

It was noted that HEI had a well-balanced proposal overall, with significant strengths across all of the Mission Suitability subfactors. HEI received more significant strengths, had numerous strengths, and eliminated all remaining weaknesses after discussions; APT had two weaknesses in its FPR and fewer significant strengths. From this information, I concluded that HEI had a notable advantage over APT in the Mission Suitability factor.

We next considered the Cost factor. Both Offerors adjusted their cost proposals in response to discussions, and the SEB assigned a "high" cost confidence to the Government's most probable cost of both Offerors. However, HEI's proposed cost (*i.e.*, $155,964,179) was less than APT's proposed cost (*i.e.*, $206,966,291). HEI maintains very low and competitive overhead and general and administrative rates which establish a significant cost advantage for the Offeror. As adjusted by the Government, HEI's most probable cost was $157,394,743, and APT's most probable cost was $214,984,925 during the first two base years and three option years of the contract. As a result, selecting HEI would result in substantial savings to the Government of $58M or twenty-seven percent in the first five years of the S&MA services contract.

In the Past Performance factor, HEI received an adjectival rating of Excellent, and APT received an adjectival rating of Very Good. A review of the past performance self and customer evaluations revealed that HEI demonstrated excellent past performance for each of the eight S&MA disciplines described in the PWS. Moreover, HEI demonstrated excellent past performance on the MSFC S&MA Services contract for eleven years and received award fee scores averaging 97.7 percent on the current contract, maintained a lost time injury rate of zero for the last three years, earned industrial safety performance and contractor excellence awards from MSFC in 2004, and attained a million hours without a lost time injury rate in 2005. HEI has been nominated for five NASA awards since 2002 and has relevant past performance on two current S&MA Service contracts of comparable scope, but lesser magnitude, at Ames and Glenn Research Centers.

Conversely, APT received one significant strength for excellent relevant past performance in only four of the eight disciplines described in the PWS requirements. Although APT's teammates received strengths for zero lost time injury rates, relevant performance on developing Safety software tools for DoD and NASA, and experience using the IDIQ task orders on an Army contract, we considered it significant that APT and its teammates have experience that focuses mainly in the safety area and not all of the various disciplines needed to perform this contract. From this information, I concluded that HEI had a notable advantage over APT in the Past Performance factor.

After polling all of my advisors and obtaining their inputs, I concluded that Hernandez Engineering, Inc. provided the best value selection for the Government based upon their clear and decided advantage when considering all three of the evaluation factors: Mission Suitability, Past Performance, and Cost. Consequently, I select Hernandez Engineering, Inc. for award of the Safety and Mission Assurance Services contract at the George C. Marshall Space Flight Center.

David A. King
Source Selection Authority

1-04-07
Date