

**Source Selection Statement for the  
Certification Products Contract (CPC)  
National Aeronautics and Space Administration  
(Solicitation Number NNJ12ZBT002R)**

On December 3, 2012, along with other senior officials of the National Aeronautics and Space Administration (NASA), I met with the Streamlined Procurement Team (SLPT) appointed to evaluate the proposals for the Certification Products Contract (CPC) Request for Proposals (RFP), Solicitation Number NNJ12ZBT002R. The presentation charts represent the final source selection evaluation report and are incorporated herein by reference.

**I. Background and Contract Requirements**

The objectives of the Commercial Crew Program are to: (1) provide a commercially available U.S. developed, safe, reliable, and cost effective human space transportation capability to and from low Earth orbit and (2) enable the eventual purchase by NASA of certified commercial services to meet its crew transportation needs for the International Space Station (ISS). The CPC RFP provides a Design Reference Mission (DRM) for transportation of NASA crew to the ISS. The primary objective of the CPC is the delivery, technical interchange, and NASA disposition of specified early lifecycle certification products, related to commercially-developed integrated Crew Transportation Systems (CTS), for the ISS Design Reference Mission (DRM). The technical interaction on these products will support the first phase of NASA certification of the commercial CTS. This contract is the first phase of a two-phased procurement using a competitive down-selection technique between phases as defined in NASA FAR Supplement (NFS) subpart 1817.73. The Phase 1 (CPC) competition was performed at the Johnson Space Center. After award, the Phase 1 contracts will be administered at the Kennedy Space Center.

CPC is a firm fixed price contract with a period of performance through May 30, 2014. The RFP anticipates multiple contract awards. The contract is organized into four Contract Line Item Numbers (CLINs) with a firm fixed price for each CLIN. The total firm fixed price for all CLIN deliverables shall not exceed \$10 million per contract. The Contractor shall deliver two versions of each CLIN deliverable, initial and final. The CLINs are summarized below.

CLIN 1 relates to alternate standards to satisfy “meet the intent of” requirements in CCT-REQ-1130 Section 3.9 and SSP 50808 where the Contractor opts not to use the NASA standard.

CLIN 2 relates to CTS hazard reports for catastrophic hazards in accordance with the content defined in SSP 30599 and CCT-PLN-1120 and the design maturity of the CTS at the time of report delivery.

CLIN 3 relates to a Verification and Validation (V&V) Plan in accordance with the content defined in CCT-PLN-1120 and the design maturity of the CTS at the time of plan delivery.

CLIN 4 relates to a Certification Plan in accordance with the content defined in CCT-PLN-1120 and the design maturity of the CTS at the time of plan delivery.

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## II. Evaluation Process and Criteria

The RFP was released on September 12, 2012. A pre-proposal conference was held on September 19, 2012. Three amendments were issued on September 17<sup>th</sup>, September 25<sup>th</sup>, and September 28<sup>th</sup> to answer questions regarding the RFP. A fourth amendment was posted on October 3<sup>rd</sup> to clarify an answer, correct a graphic in Section L, and update Section J regarding Organizational Conflict of Interest plans.

The procurement was conducted as a full and open competition in accordance with Federal Acquisition Regulation (FAR) Part 15, NASA FAR Supplement Part 1815, the Johnson Space Center Procurement Advisory Notice 10-02 Streamlined Acquisition Guide, and the RFP. The RFP divided the proposals into the following five volumes, all due on October 12, 2012: Volume I, Technical Acceptability; Volume II, Past Performance; Volume III, Price; Volume IV, Responsibility Determination; and Volume V, Model Contract. Timely proposals were received from the following companies:

The Boeing Company (Boeing)  
13100 Space Center Blvd.  
Houston, TX 77059-3556

Sierra Nevada Corporation Space Systems (SNC)  
1722 Boxelder Street  
Louisville, CO 80027-3137

Space Exploration Technologies Corp. (SpaceX)  
1 Rocket Road  
Hawthorne, CA 90250-6844

A preliminary review of proposals was conducted to determine acceptability of the proposals in accordance with NFS 1815.305-70, "Identification of Unacceptable Proposals". As stated in the RFP, unacceptable proposals would be eliminated from further evaluation. None of the three proposals were eliminated.

The RFP included three evaluation factors: Technical Acceptability, Past Performance, and Price. Proposals were evaluated first for Technical Acceptability, which was rated as either "Acceptable," "Potentially Acceptable," or "Unacceptable". Technical Acceptability had two subfactors: (1) demonstration of a current integrated CTS design maturity level that can enable the Offeror to satisfy the CPC requirements and demonstration of a credible plan to mature the integrated CTS design to a level ready to begin Phase 2; and (2) provision of the Offeror's approach to meeting CPC requirements, including concurrent maturation of the deliverables and the CTS design, technical interchange on the deliverables, and ISS integration activities. The evaluation ratings were defined as:

**"Acceptable" Rating** - A proposal will be rated "Acceptable" under the Technical Acceptability Factor, where ALL subfactors are individually rated acceptable based on

the level of completeness, feasibility, and reasonableness such that associated risks do not jeopardize an acceptable level of contract performance.

**“Unacceptable” Rating** - A proposal will be rated “Unacceptable” under the Technical Acceptability Factor where ANY subfactor is individually rated unacceptable based on the level of completeness, feasibility, and reasonableness such that associated risks do jeopardize an acceptable level of contract performance.

**“Potentially Acceptable” Rating** - A proposal will be rated “Potentially Acceptable” under the Technical Acceptability Factor, when after the initial evaluation, the proposal does not fully meet the definition for an “Acceptable” or “Unacceptable” rating and the Government anticipates that additional information obtained during discussions could result in a proposal rating of “Acceptable”.

All proposals evaluated as technically “Acceptable” or “Potentially Acceptable” were evaluated against the Past Performance and Price evaluation factors.

Offerors’ past performance was examined for relevance to the CPC requirements and for how recently it occurred to determine the Offeror’s ability to perform the CPC work. The SLPT evaluated performance on contracts and agreements that were current or completed within the prior three years. More relevant and more recent performance received greater consideration than less relevant and less recent performance. Relevance of performance was assessed based on the scope and complexity of the work performed. Contracts and agreements that included scope and complexities similar to CPC were considered more relevant. Relevant work included contracts and agreements for space system development. Past performance related to crewed space system development was more relevant than past performance related to un-crewed space system development. In addition, past performance related to the design and development of an integrated CTS was more relevant than past performance limited to elements of a CTS.

The SLPT used the following definitions to assess the overall level of confidence in the Offeror’s ability to perform the CPC requirements while meeting technical, schedule, and budget constraints:

Confidence Rating	Definition
Very High Level of Confidence	The Offeror’s relevant past performance is of exceptional merit and is very highly pertinent to this acquisition; indicating exemplary performance in a timely, efficient, and economical manner; very minor (if any) problems with no adverse effect on overall performance. Based on the Offeror’s performance record, there is a very high level of confidence that the Offeror will successfully perform the required effort.
High Level of	The Offeror’s relevant past performance is highly pertinent to this acquisition; demonstrating very effective performance that would be fully responsive to

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<b>Confidence</b>	contract requirements with contract requirements accomplished in a timely, efficient, and economical manner for the most part with only minor problems with little identifiable effect on overall performance. Based on the Offeror's performance record, there is a high level of confidence that the Offeror will successfully perform the required effort.
<b>Moderate Level of Confidence</b>	The Offeror's relevant past performance is pertinent to this acquisition, and it demonstrates effective performance; fully responsive to contract requirements; reportable problems, but with little identifiable effect on overall performance. Based on the Offeror's performance record, there is a moderate level of confidence that the Offeror will successfully perform the required effort.
<b>Low Level of Confidence</b>	The Offeror's relevant past performance is at least somewhat pertinent to this acquisition, and it meets or slightly exceeds minimum acceptable standards; adequate results; reportable problems with identifiable, but not substantial, effects on overall performance. Based on the Offeror's performance record, there is a low level of confidence that the Offeror will successfully perform the required effort. Changes to the Offeror's existing processes may be necessary in order to achieve contract requirements.
<b>Very Low Level of Confidence</b>	The Offeror's relevant past performance does not meet minimum acceptable standards in one or more areas; remedial action required in one or more areas; problems in one or more areas which adversely affect overall performance. Based on the Offeror's performance record, there is a very low level of confidence that the Offeror will successfully perform the required effort.
<b>Neutral</b>	In the case of an Offeror without a record of relevant past performance or for whom information on past performance is not available, the Offeror may not be evaluated favorably or unfavorably on past performance [see FAR 15.305(a) (2) (ii) and (iv)].

Price analysis was performed in accordance with FAR Part 15.404-1 to validate price reasonableness and ensure that the Government receives a fair and reasonable price.

At the completion of the evaluations for the Past Performance and Price Factors, the Government could award a contract without discussions to the technically "Acceptable" proposal(s) most highly rated under the Past Performance and Price Factors or, if determined necessary by the Contracting Officer in accordance with FAR clause 52.215-1(f)(4), the Government could establish a competitive range and conduct discussions. Discussions were held with the most highly rated Offerors.

After Final Proposal Revisions were received, all proposals received a final rating for the Technical Acceptability evaluation factor as either "Acceptable" or "Unacceptable" only.

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Final Proposal Revisions were only evaluated against the Past Performance and Price factors if the proposal was determined to be “Acceptable” for the Technical Acceptability factor. For those proposals determined to be “Acceptable” under the Technical Acceptability factor, tradeoffs would be made between Past Performance and Price. Past Performance was approximately equal in importance to Price.

The RFP stated the Government would award to the Offerors whose proposals offered the best overall value to the Government that meet all solicitation requirements and are determined to be responsible in accordance with FAR Part 9.104, “General Standards”.

### **III. Evaluation of Initial Proposals**

The results of the initial evaluation were presented to me and other senior Agency advisors on November 9, 2012, and are summarized below.

#### **Technical Acceptability**

The SLPT rated all three proposals “Acceptable” for each of the two subfactors, resulting in overall Technical Acceptability ratings of “Acceptable.” Because all three proposals were determined to be “Acceptable,” the SLPT further evaluated all three proposals against the Past Performance and Price criteria.

#### **Past Performance**

Boeing received a Past Performance Confidence Rating of “High.” The Offeror’s relevant cumulative past performance on the CCDev2 agreement, the USOS (ISS) contract, and the SPOC (Shuttle) contract, and its subcontractor’s performance on Launch Services contracts, were highly pertinent to this acquisition. Past performance questionnaires, PPIRS, and interviews indicated a very effective performance and that the Offeror would be fully responsive to contract requirements.

SNC received a Past Performance Confidence Rating of “Moderate.” The Offeror’s relevant cumulative past performance on the CCDev1 and CCDev2 agreements and its subcontractor’s performance on Launch Services contracts are pertinent to this acquisition. Past performance questionnaires, PPIRS, and interviews indicated an effective performance and that the Offeror would be fully responsive to contract requirements.

SpaceX received a Past Performance Confidence Rating of “High.” The Offeror’s relevant cumulative past performance on the COTS and CCDev2 agreements and the CRS contract are highly pertinent to this acquisition. Past performance questionnaires, PPIRS, and interviews indicated a very effective performance and that the Offeror would be fully responsive to contract requirements.

## **Price**

The proposed CLIN deliverable prices for each Offeror were evaluated for price reasonableness by comparison against the Government estimate and prices submitted by other Offerors. The SLPT determined that there was adequate price competition to conclude that all three proposed total prices were reasonable in accordance with FAR Part 15.404-1.

## **Model Contract**

The SLPT reviewed the model contract submitted by each Offeror consistent with the process stated in the RFP. Model contracts were not evaluated for selection purposes; however, they were reviewed to ensure that they were signed by a person authorized to commit the Offeror, that all fill-ins were completed, and that they accurately captured the required contract content as set forth in the proposal. The SLPT found areas that needed to be addressed in each model contract.

Based on the findings from the SLPT, the Contracting Officer and I determined that award on initial proposals was not appropriate. The Contracting Officer established a competitive range of the most highly rated proposals, including Boeing, SNC, and SpaceX.

## **IV. Discussions and Evaluation of Final Proposal Revisions**

All three Offerors were informed of their inclusion in the competitive range via letters sent by e-mail on November 13, 2012. Discussions were held with all Offerors on November 14, 2012. Final Proposal Revisions were received on November 26, 2012. The results of the final evaluation were presented to me and my senior advisors on December 3, 2012, and are summarized below.

### **Technical Acceptability**

The SLPT gave all three proposals a final overall Technical Acceptability rating of "Acceptable," which was the same as the initial evaluation. Because all three proposals were determined to be "Acceptable," the SLPT further evaluated all three proposals against the Past Performance and Price criteria.

### **Past Performance**

The evaluation results for Boeing's past performance remained the same and its Past Performance Confidence Rating of "High" did not change as a result of the Final Proposal Revision.

The evaluation results for SNC's past performance remained the same and its Past Performance Confidence Rating of "Moderate" did not change as a result of the Final Proposal Revision.

The evaluation results for SpaceX's past performance remained the same and its Past Performance Confidence Rating of "High" did not change as a result of the Final Proposal Revision.

### **Price**

None of the Offerors changed the proposed CLIN deliverable prices in their Final Proposal Revision. Therefore, the SLPT determined that all three proposed prices remained reasonable in accordance with FAR Part 15.404-1.

### **Model Contract**

The model contract concerns evident in all three proposals were addressed in the final proposal revisions. These model contract problems were all fully resolved and did not impact any of the other findings from the initial evaluation.

### **V. Selection Decision**

During the evaluation presentation, I fully considered the material in the presentation charts and questioned the SLPT regarding the evaluation process and conclusions. I also requested any questions, comments or concerns from my senior advisors. Based on my assessment of the evaluation materials and briefing, my decision is as follows:

As stated in the RFP, NASA will award the CPC contracts to the Offerors whose proposals meet the RFP requirements, are Technically Acceptable, and offer the best value to the Government considering Past Performance and Price.

The final proposals of all three Offerors comply with the RFP requirements. In particular, I questioned the SLPT as to whether all proposals, including the proposed model contracts, clearly addressed not only the required deliverables for each CLIN but also the technical interchange requirement. This interchange is necessary for effective disposition of the deliverables to determine if the deliverables satisfy the contract certification requirements. I also verified that all proposals, including the model contracts, conformed to the RFP pricing instructions. I reviewed again the basic selection considerations with the SLPT to insure that nothing else had changed or needed further clarification.

I found all three proposals Technically Acceptable. Each proposal described a complete integrated system. The Boeing system includes the CST-100 spacecraft and Atlas V launch vehicle. SNC's system uses the Dream Chaser spacecraft and Atlas V launch vehicle. SpaceX's system uses the Dragon spacecraft and Falcon 9 launch vehicle. All systems include ground and mission operations. All three Offerors demonstrated stable preliminary design maturity and described the planned modifications and upgrades to their CTS. All proposals demonstrated a CTS design maturity level sufficient to enable the Offeror to meet the CPC deliverable requirements, and presented acceptable plans to concurrently mature the deliverables and the respective CTS to reach a level of maturity ready for Phase 2 of this procurement. Each

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Offeror's plan identified the major tasks necessary to mature the deliverables and CTS, such as pad abort tests, structural test article tests, safety reviews, and thermal and loads analyses. Each proposal provided a complete, feasible, reasonable approach to accomplishing the CPC requirements.

In accordance with the RFP, I then considered the Price and Past Performance of all three Technically Acceptable proposals. I found the total firm fixed price of each proposal to be within the maximum price established in the RFP and reasonable for the required work. I noted that the pricing of the four CLINS varied across the proposals and questioned the SLPT on the variations. I was satisfied that the CLIN prices each Offeror proposed aligned with that Offeror's approach to producing the specific deliverables and the level of maturity of their respective products.

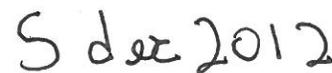
I also considered each Offeror's Past Performance. The SLPT had a High level of confidence in both Boeing's and SpaceX's past performance. I agreed with these assessments, and found the referenced work for both Offerors to be highly pertinent to the CPC work and very effectively performed. I questioned several specific aspects of each Offeror's past performance, and have confidence that both can successfully perform the CPC. The SLPT had a Moderate level of confidence in SNC's past performance. I questioned the SLPT to ensure I understood the nature of the work and quality of performance for the referenced contracts and agreements. I concluded that although some of SNC's past performance was in system-level work and more was in element-level work, it was pertinent to the CPC requirements and was effectively performed. The rating of Moderate for SNC was appropriate and directly supported by the findings. Therefore, I have confidence that SNC can successfully perform the CPC requirements.

All three proposals meet the RFP requirements, are Technically Acceptable, and offer prices reasonable for the work to be performed. All three Offerors have past performance that gives me confidence in their ability to perform the CPC. As stated in the RFP, this is a two-phased procurement and the Agency is seeking to have multiple contractors for this first phase. All three proposals offer good value to the Government. It is consistent with the objectives of the RFP and in the Agency's best interest to award Phase 1 contracts to all three Offerors. Accordingly, I select the following companies for CPC contract awards in the following amounts:

Boeing, \$9,993,000  
SNC, \$10,000,000  
SpaceX, \$9,569,525



William H. Gerstenmaier  
Source Selection Authority



Date