Source Selection Statement for the
Award Without Discussion on the Indefinite-Delivery, Indefinite-Quantity
Contract with Cost-Plus-Award-Fee Delivery Orders and a Firm Fixed-Price Phase-In Period
for Engineering Fabrication Services (EFS)

1. On December 10, 2012, I met with members of the Streamlined Procurement Team (SLPT) appointed to evaluate the proposals for Indefinite-Delivery, Indefinite-Quantity Contract with cost-plus-award-fee delivery orders and a firm fixed-price phase-in period for Engineering Fabrication Services, Solicitation NNJ13HA04B. Several other officials of the Lyndon B. Johnson Space Center also attended the meeting.

Background

2. The Engineering Fabrication Services procurement is an Indefinite-Delivery, Indefinite-Quantity (IDIQ) contract with cost-plus-award-fee delivery orders and a firm fixed-price phase-in period for Engineering Fabrication Services. The performance period of the contract is five-years, with a three-year base period and one two-year option period. The total amount of all task orders awarded under the solicitation shall not exceed $98.5M for the five-year period of performance.

3. The Offerors were notified that the Government intended to evaluate proposals and award a contract without discussions with offerors (except clarifications as described in FAR 15.306(a)). Therefore, the offeror's initial proposal should contain the offeror's best terms from a cost/price and technical standpoint.

4. The goal of the EFS solicitation is to procure fabrication services for JSC organizations and other external customers. These fabrication services include a broad scope of functions from providing rapid turnaround of simple parts and modifications, to the development of new products, prototypes, and first article space flight hardware. Hardware produced can range in size and complexity from small astronaut hand tools to entire crew systems or vehicles. In addition to traditional fabrication, JSC strives to infuse advanced space flight hardware fabrication processing including: direct-to-metal additive manufacturing, friction stir welding, specialty composite layup techniques, load bearing fabrics, and unique approaches that may enable future in-situ and in-space manufacturing.

5. A Sources Sought Synopsis was issued on November 11, 2011, followed by the synopsis and draft Statement of Work (SOW) on May 25, 2012. A Request for Proposal (RFP) was released on July 6, 2012 and the team conducted a pre-proposal conference with a site tour of Buildings 9 and 10 on July 16, 2012. Prior to proposal receipt on August 21, 2012, the following amendments were issued:

> Amendment 1 revised M.4.3 Performance Price Tradeoff Evaluation to state, "Past performance is significantly more important than cost/price."

Amendment 2 posted questions from potential offerors and NASA's responses.

Amendment 3 corrected administrative errors and omissions, and extended the proposal delivery from August 7, 2012 to August 21, 2012. The extension was granted to allow offerors to revise their proposals to address the Government-increased page limitations for Volume I (Technical Acceptability) and Volume II (Past Performance).

Amendment 4 was issued after receipt of proposals and applied only to offerors that submitted a proposal. This amendment was necessary because the cursory review (RFP §M.3) conducted when proposals were opened identified multiple proposals that failed to implement the RFP technical formatting requirements. This initial review was ministerial and addressed only issues such as page count and formatting. The RFS language did not specifically address how these nonconforming pages would be treated. Therefore, amendment 4 revised Section M.4.2 to explain in greater detail how the proposal arrangement, page limitation, copies, and due dates will be reviewed by the Government. Offerors were permitted to resubmit proposals in their entirety, or by Offeror-selected volumes, by September 11, 2012.

Evaluation Procedures

6. The proposals were evaluated in accordance with the RFP. The evaluation process was as follows: (1) an initial evaluation was performed to determine if proposals were unacceptable in accordance with NFS 1815.305-70, Identification of Unacceptable Proposals. (2) All Offerors were checked against the "List of Parties Excluded from Federal Procurement and Non-Procurement Programs," and were reviewed for compliance with the solicitation instructions. (3) All proposals were then evaluated against the factors listed in the RFP. These factors were technical acceptability (pass/fail), and the trade-off factors Past Performance and Cost/Price.

7. Technical Acceptability was assessed assigning ratings of Acceptable (A), Potentially Acceptable (PA), or Unacceptable (U). Pursuant to the RFP, for Technical Acceptability, offerors were required to demonstrate the ability to provide fabrication services that provide a collaborative, interactive, and R&D manufacturing environment that can also meet mission critical needs, utilize outside sources as needed, and address customer needs for design for manufacturing. To be considered Technically Acceptable, the proposal had to pass all Technical Acceptability sub factors. The four sub factors were Management Approach, Phase-In Plan, Technical Approach, and Safety and Health Plan. To be found acceptable, each sub factor proposal was required to "be at a level of reasonableness, feasibility and completeness where associated risks do not jeopardize an acceptable level of contract performance." A Potentially Acceptable proposal is one that does not have an Unacceptable rating for any of the Technical Acceptability sub factors and the Government anticipates that the provision of additional information during discussion could result in a proposal rating of "Acceptable." (RFP §M.4.4)

8. Each Technically Acceptable proposal then received a performance confidence assessment rating based on the SLPT's evaluation of available information regarding each offeror's relevant Past Performance on recent projects. The SLPT relied upon the narrative provided by the

Offeror in Volume II Past Performance, completed Past Performance Questionnaires submitted by the Offerors' customers on work similar to EFS, conversations with Contracting Officers and Contracting Officer Representatives to obtain details about the questionnaires, the Government Past Performance Information Retrieval System (PPIRS), information independently obtained from other sources (including commercial sources), OSHA logs, Underwriter Letters, the OSHA website, and EPA Enforcement and Complaints History Online website. In accordance with the RFP, the following adjective level of confidence ratings was utilized to assign one of the following Past Performance ratings: Very High Level of Confidence, High Level of Confidence, Moderate Level of Confidence, Low Level of Confidence, Very Low Level of Confidence, and Neutral.

9. To ensure that the final agreed-to prices are fair and reasonable, the Government performed price analysis and performed cost analysis to include a cost realism analysis in accordance with the Federal Acquisition Regulation (FAR) 15.404 and NFS 1815.404. The Government performed a cost realism analysis of the proposed IDIQ fully burdened rates (FBR). The FBR was multiplied against the direct labor hours provided by the Government in the Summary Pricing Template (SPT). In addition, an evaluation was performed on the Material Handling Rate (MHR) and the Award Fee (AF) rate proposed. This resulted in a probable cost which differed from the proposed cost, and reflected the Government's best estimate of the cost of any contract that is most likely to result from each Offeror's proposal.

Evaluation of Proposals

10. In response to the EFS RFP, six offerors submitted proposals for the EFS procurement. All six proposals were received by the deadline. The companies who provided proposals are: 1) Fabrication and Manufacturing Alliance (FMA); 2) InfoPro Corporation (IPC); 3) GHG Corporation (GHG); 4) Sierra Lobo, Inc. (SLI); 5) Engineering Research and Consulting, Inc. (ERC) and 6) Enterprise Advisory Services, Inc. (EASI)

11. None of the proposals submitted took exception to the RFP requirements.

12. The proposals submitted by IPC and ERC were determined to be Unacceptable proposals in accordance with NFS 1815.305-70, and were therefore not considered for evaluation and award. The Source Selection Authority reviewed and concurred with this decision on November 15, 2012, in a separate proceeding. Both IPC and ERC requested pre-award debriefings, and those pre-award debriefings are scheduled to occur on December 11, 2012.

13. The remaining four proposals were evaluated in accordance with the EFS RFP Section M, Federal Acquisition Regulations (FAR) Part 15, and NASA FAR Supplement Part 1815. After Technical Acceptability evaluation was complete, GHG and EASI were determined to be Unacceptable, and were not further evaluated. GHG and EASI will be notified in writing in accordance with FAR 15.503(b), Notification of Unsuccessful Offerors. At the time of the writing of this statement, GHG and EASI have not yet requested a post-award debriefing, but SLPT will support these if requested.

14. The SLPT subsequently determined that the proposals submitted by FMA and SLI were Technically Acceptable, and these two proposals were further evaluated for Past Performance and Cost/Price. As both proposals are Acceptable, an award without discussions is possible.

15. The SLPT utilized the following Methods described in FAR 15.404-1(b) (2) for determining price reasonableness. The Government received six proposals meeting the competition requirement of more than one offeror, and a full cost/price analysis was performed on two proposals. The Government evaluated the total price of all Technically Acceptable offerors. It was determined that the price ranged from $56.7 million to $64.8 million (a 14% range from lowest to highest). This shows a tight range of all Technically Acceptable proposals and adequate price competition. In addition to price analysis, the Government performed a cost analysis on FMA and SLI. DCMA provided information about offeror's billing rates on current cost-type contracts. These DCMA-provided rates were compared to the proposals' direct and indirect rates. The use of both price and cost analysis provided the Government with enough information to determine the price proposed was fair and reasonable.

16. The Past Performance confidence was assessed at an overall factor level after evaluating relevant aspects of each offeror's recent Past Performance. The RFP identifies "recent" as performance within three years from the date of the solicitation. (RFP Section L.16.5(c))

Individual Past Performance Evaluations

17. The SLPT continued evaluations on the FMS proposal in accordance with the RFP. Given the nature of this joint venture, it was appropriate to review the Past Performance of Bastion Technology, Inc. (BTI), Rothe Development, Inc. (RDI), and major subcontractor ILC Dover, Inc. (ILC). Each has Past Performance respective to their proposed area of effort for EFS. BTI's overall Past Performance information involved much of the magnitude of effort and complexities of the EFS solicitation, and therefore was determined to be Relevant. RDI's overall Past Performance information reviewed involved some of the magnitude of effort and complexities of the EFS Solicitation, and therefore was determined Somewhat Relevant. ILC's overall Past Performance information involved much of the magnitude of effort and complexities of the EFS solicitation, and therefore was determined to be Relevant. FMA Key Personnel's Past Performance information was determined to be Very Relevant. The overall FMA Past Performance information reviewed was much of the same magnitude of effort and complexities of EFS, and therefore is Relevant. BTI's quality was determined to be of very effective performance, and is highly pertinent to this acquisition. RDI's quality was determined to be of very effective performance, and is determined pertinent to this acquisition. ILC's quality was determined to be of very effective performance, and is highly pertinent to this acquisition. The FMA Key Personnel's quality was determined to be of exceptional merit and is very highly pertinent to this acquisition. The overall FMA quality was determined to be very effective, and to be highly pertinent to this acquisition. The overall Safety and Health Past Performance evaluation for the FMA team indicates substantially better performance than the industry average. None of the team members reported having any OSHA citations, but ILC Dover potentially had an EPA violation at its Delaware location. Given that more than one "ILC Dover" exists in this area, the SLPT was unable to substantiate any alleged violation, and, therefore, it was not considered a factor in the overall Past Performance rating. An OSHA citation would

potentially impact the safety Past Performance evaluation. This unsubstantiated allegation did not factor into FMS's Very High level of confidence in the safety Past Performance evaluation. Given the combination of relevancy that is highly pertinent (high confidence), quality of very effective performance (high level of confidence), and a safety Past Performance that indicates a Very High level of confidence, there is a High level of confidence that the FMA team will be able to successfully perform the EFS contract.

18. The SLPT further evaluated the SLI proposal in accordance with the RFP. SLI and SLI's major subcontractor Jacobs Technology Inc. (JTI) each have Past Performance respective to their proposed area of effort for EFS. SLI's overall Past Performance information was essentially the same magnitude of effort and complexities of EFS, and therefore is Very Relevant. JTI's Past Performance was essentially the same magnitude of effort and complexities of EFS, and therefore is Very Relevant. SLI Key Personnel's Past Performance information was essentially the same magnitude of effort and complexities of EFS, and therefore is Very Relevant. The overall SLI Past Performance was essentially the same magnitude of efforts and complexities of EFS and therefore was Very Relevant. SLI's quality was determined to be of exceptional merit and is very highly pertinent to this acquisition. JTI's quality was determined to be of exceptional merit and is very highly pertinent to this acquisition. The SLI Key Personnel's quality was determined to be of exceptional merit and is very highly pertinent to this acquisition. The overall SLI quality was of exceptional merit, and was highly pertinent to this acquisition. The overall Safety and Health Past Performance evaluation for the SLI team indicates substantially better performance than the industry average. Given the combination of relevancy that is very highly pertinent (very high confidence), quality of exceptional merit (very high level of confidence), and a safety Past Performance that indicates a Very High level of confidence, there is a Very High level of confidence that SLI team will be able to successfully perform the EFS contract.

Source Selection Decision

19. With respect to the EFS contract, my decision was based on selecting the proposal offering the best value consistent with the RFP's stated criteria for award. I reviewed the SLPT evaluation, questioned the basis for the SLPT findings presented to me, and received the opinions of the advisors present. After considering all of the information presented to me, I accepted the findings of the SLPT as they were presented to me.

20. I first considered the proposals under the Technical Acceptability factor. To be considered Technically Acceptable, the proposal had to pass all Technical Acceptability sub factors. I reviewed the Technical Acceptability sub factors which were evaluated for Management Approach, Phase-In Plan, Technical Approach, and Safety and Health Plan. The RFP required that each of these evaluation areas be rated Acceptable or Potentially Acceptable in order to have the proposal considered Technically Acceptable. I understood that a proposal needed to be Technically Acceptable to avoid being eliminated from further evaluation. Each sub factor proposal was required to be at a level of reasonableness, feasibility and completeness where associated risks do not jeopardize an acceptable level of contract performance.

21. I considered the SLPT determination that the FMA proposal was found acceptable in all four areas of evaluation: Management Approach, Phase-In Plan, Technical Approach, and Safety and

Health Plan. I agree with this evaluation because the proposal met the requirements outlined in the RFP and did not contain associated risk that would jeopardize an acceptable level of contract performance. Particularly influential in this assessment is the fact that FMA found the three key errors in Technical Approach Scenario 3 that would have resulted in a scrapped part. Overall, FMA provided an acceptable Technical Approach. The Scenarios presented in the RFP align with our real working environment and reflect the type of work we anticipate under this contract. Likewise, FMA also provided reasonable, feasible, and complete responses for the other areas of evaluation. The Management Approach adequately addressed the Statement of Work, and while there were some areas of risk observed, they did not rise to the level that would jeopardize an acceptable level of contract performance. The Phase-In Plan was acceptable to cover the transition adequately and the plan to use the Virtual Work Authorization Request system as a maintenance control system would be corrected under DRD PM-01 and does not represent an issue that would jeopardize an acceptable level of contract performance. The Safety and Health Plan was likewise acceptable with only minor Type I Data Requirements Document corrections necessary prior to implementation. I find that FMA provided an Acceptable proposal under the Technical Acceptability evaluation criterion as each sub factor was at a level of reasonableness, feasibility and completeness where associated risks do not jeopardize an acceptable level of contract performance.

22. I considered the SLPT determination that the GHG proposal was found Unacceptable overall, based on the evaluation of its Management Approach and Technical Approach. I agree with this conclusion as the proposal contained associated risks that would jeopardize an acceptable level of contract performance. Specifically, GHG did not offer a workflow process approach that would allow the flexibility needed for maintaining the type of schedule deadlines routinely faced in this type of contract work. In addition, the detailed and regimented approach posed resource concerns that would likely impact cost issues. These factors would jeopardize an acceptable level of contract performance. I also concur that the Technical Approach is Unacceptable. Influential in this decision is the fact that the GHG proposal was infeasible in that it failed to identify the three key errors that would have resulted in a scrapped part in Scenario 3, and failed to reference the use of a Quality Engineer for Scenario 1 and Scenario 2. The Scenarios presented in the RFP align with our real working environment and we cannot afford to have work scrapped due to lack of quality technical oversight. I do not anticipate that the provision of additional information during discussions could result in a proposal rating of "Acceptable." While I concur that the GHG proposal contained an acceptable Phase-In Plan and Safety and Health Plan, all Technical Acceptability sub factors must be passed for a proposal to be considered Technically Acceptable. Therefore, the GHG proposal is Unacceptable and is eliminated from further evaluation.

23. I considered the SLPT determination that the SLI proposal was found Acceptable for the Technical Acceptability sub factors of Management Approach, Phase-In Plan, Technical Approach, and Safety and Health Plan. I agree with this evaluation because the proposal met the requirements outlined in the RFP and did not contain associated risk that would jeopardize an acceptable level of contract performance. Particularly influential in this assessment is the fact that the Management Approach provided a feasible plan for cross training technical personnel, reasonably described shop workflow process, and otherwise presented a complete Management Approach with only minor risk items that do not jeopardize an acceptable level of contract

performance. These minor risk items would be addressed as Type I Data Requirements prior to contract implementation. Likewise, the Phase-In Plan and Safety and Health Plan were acceptable and only contained minor risk items that would be addressed in the associated Type I Data Requirements Documents prior to implementation. Also influential in this determination is the fact that SLI identified all three key errors that would have resulted in a scrapped part in the Technical Approach Scenario 3. I was also influenced by the methodical matrix of options provided for evaluating fabrication methods. As the RFP Scenarios align with our real working environment, the evaluations confirmed that this proposal would meet our requirements without jeopardizing an acceptable level of contract performance. I concur that this proposal is Acceptable under the Technical Acceptability evaluation criterion as each sub factor was at a level of reasonableness, feasibility and completeness where associated risks do not jeopardize an acceptable level of contract performance.

24. I considered the SLPT determination that the EASI proposal was found Unacceptable overall, based on the evaluation of its Technical Approach. Influential in this decision is the fact that EASI presented an incomplete, infeasible, and unreasonable response to Scenarios 1 and 2 as it did not support its cost estimates, did not provide a detailed production schedule, and failed to identify a Quality Engineer. These required elements were not met and are risks that would jeopardize an acceptable level of contract performance. I do not anticipate that the provision of additional information during discussions could result in a proposal rating of "Acceptable." I concur that the EASI proposal contained acceptable submissions for the Management Approach, Phase-In Plan and Safety and Health Plan. However, all Technical Acceptability sub factors must be passed for a proposal to be considered Technically Acceptable. Therefore, the EASI proposal is found to be Unacceptable and is eliminated from further evaluation.

25. Therefore, the only proposals receiving further evaluation for Past Performance and Cost/Price are FMA and SLI.

26. I have reviewed and considered the SLPT evaluation of the FMA proposal and concur with the determination that this proposal has a High Past Performance Level of Confidence. I have decided that the record does not support an evaluation of "Very High" confidence as Past Performance reflects a Relevant to Somewhat Relevant work history. My determination on Past Performance is influenced by the history of contract work that is considered Relevant and Somewhat Relevant, based on the magnitude of effort and complexities of those contracts. Influential in this decision is the Lunar Habitat Mockup (LHM), NNJ08HB08C, a contract where BTI and RDI were the joint-venture prime contractor. Analysis of the work done under this contract was appropriately considered Somewhat Relevant. BTI worked as a subcontractor on the Mechanical Systems Engineering Services (MSES) contract, NNG07CA22C, which had a scope of work involving much of the same complexities as the EFS solicitation. This work is appropriately classified as Relevant Past Performance. Other examples of work are also rated Relevant and Somewhat Relevant. FMA has proposed to provide Thomas (Trey) Howell Hall, III, as key personnel and his work history is aptly described as Highly Relevant. Overall, Past Performance is most frequently classified as "excellent." Subcontractor ILC Dover, Inc. is found to have Relevant Past Performance with frequent comments reflecting "very good" and "excellent" work. The Safety and Health Past Performance evaluation for FMA/ILC supports a

Very High level of confidence. In summary, FMA had three (3) Relevant and (2) Somewhat Relevant contracts reviewed as part of the Past Performance evaluation. Overall, I concur that the record supports a High Level of Confidence that the SLI team will be able to successfully perform the EFS contract. The record does not support an evaluation of "Very High" confidence as Past Performance reflects a Relevant to Somewhat Relevant work history.

27. I have reviewed and considered the SLPT evaluation of the SLI proposal and concur with the determination that this proposal has a Very High Past Performance Level of Confidence. My decision on the Past Performance evaluation is influenced by the history of contract work of essentially the same magnitude, effort, and complexity, which supports the finding of Very Relevant Past Performance. SLI performed the Research and Development Structural Test Services (RDSTS) contract, GS05T10BMC0014, which is essentially the same magnitude of effort and level of complexity. SLI also performed on the Aerospace Test Operations and Maintenance (ATOM-3) contract, NNA09DB39C, which involved much of the same complexities of the work to be performed under EFS. SLI proposes to provide Steve Vittorio as program manager, and Teresa Hossley as the Business Manager. Both individuals have Past Performance efforts that are essentially of the same magnitude of effort and complexities as anticipated under the EFS contract. The vast majority of SLI's ratings are "excellent." In addition, JTI, the Major Subcontractor under this proposal, performed under the Engineering and Science Contract (ESC), NNJ05HI05C, which was of similar magnitude and is essentially the same as the work that will be performed under the scope of EFS. Also influential is the fact that JTI performed the Manufacturing Support and Facility Operations Contract (MSFOC), NNM09AA20C, which is of greater magnitude and is essentially the same as the work that will be performed under the EFS contract. The vast majority of Past Performance comments were listed as "excellent" for JTI. Overall, the SLI proposal had three (3) Very Relevant and two (2) Relevant contracts considered in this Past Performance evaluation. These factors support the conclusion that relevancy is very highly pertinent (very high confidence), quality Past Performance is of exceptional merit (very high level of confidence), and safety Past Performance indicates excellent loss prevention. Therefore, I concur that there is a Very High Level of Confidence that the SLI team will be able to successfully perform the EFS contract.

28. With regard to cost and price, I note that SLI's proposed cost and price is less than FMA's proposed cost and price. In addition, SLI's probable cost and price is still lower than FMA's proposed cost and price. I recognize that the difference between the proposed and probable cost/price for both offerors is primarily explained by a difference between the proposed wage rates and the incumbent's actual wage rates. I conclude that the offerors' probable cost and price is a better indicator of actual cost and price for the EFS contract.

Final Decision

29. In making my decision, I found the difference in the Past Performance to be the key discriminator in my selection decision. While Past Performance is significantly more important than price, there is no need for a trade-off determination in this situation as SLI presents with the highest Past Performance rating and a probable cost that is lower than FMA's proposed cost.

30. I also agreed with the SLPT that a competitive range was not warranted and selection and award should be made without discussions.

31. In summary, based on my assessment of all proposals in accordance with the specified evaluation criteria, it is my decision that the proposal submitted by SLI, together with its Very High Past Performance evaluation and low probable cost, represents the best value to the Government to fulfill the needs of this contract for the RFP effort. I therefore select SLI for award.

Melanie Saunders

Melanie Saunders
Source Selection Authority

12-11-12

Date