

**Source Selection Statement for the
Engineering Product Integration Contract (EPIC)
NASA Lyndon B. Johnson Space Center
(Solicitation Number NNJ12395182R)**

On August 29, 2012 and September 6, 2012, I met with members of the Streamlined Procurement Team (SLPT) appointed to evaluate the proposals for the Engineering Product Integration Contract (EPIC) Request for Proposals (RFP), Solicitation Number NNJ12395182R. Several other officials of the Lyndon B. Johnson Space Center (JSC) also attended these meetings. The presentation charts represent the final source selection evaluation report and are herein incorporated by reference.

I. Procurement History

EPIC is an Indefinite-delivery, Indefinite-quantity (IDIQ) contract comprised of cost-plus-fixed-fee and firm-fixed price task orders. The procurement was conducted as a total small business set-aside for a Small Business Administration (SBA) 8(a) firm. The NAICS Code and Small Business Size Standard are 541511 and \$25M, respectively. The basic period of performance for this acquisition is 3 years, October 18, 2012 – October 17, 2015, with a 31-day phase-in prior to contract start. There is one two-year option. The Not-to-Exceed (NTE) value for the basic IDIQ effort is \$27.7M. The option provides a \$22.2M addition to the basic IDIQ NTE value.

The scope of the EPIC effort is to procure an integrated infrastructure approach that provides the Engineering Directorate flexibility and efficiency in a changing business environment. The solicitation scope encompasses 1) computer support and application services to assess and coordinate information technology needs and provide web-based applications and information sites to efficiently generate and disseminate Directorate products, 2) strategic and organizational planning and process improvement to optimize the creation, assessment, and integration of Directorate products; and 3) configuration management and project facilitation tasks to document, track, and control Directorate products. The integration of these three infrastructure areas into the Engineering Product Integration Contract (EPIC) augments the Directorate's efforts to generate, test, and deliver products in the changing business environment. The EPIC contract integrates tasks previously performed under several separate NASA contracts.

On September 21, 2011, a Sources Sought Synopsis/Request for Information notice was posted to seek industry interest. Questions regarding the posted synopsis were answered via Modification 1 to the synopsis which was posted to the Federal Business Opportunities website on November 4, 2011. Modification 2 to the synopsis was posted on November 15, 2011, to notify potential Offeror's that one-on-one meetings would be held on November 30, 2011 and on December 1 and 2, 2011, to discuss the anticipated EPIC contract with industry.

On November 28, 2011, the Contracting Officer released a draft Statement of Work (SOW) and posted a Pre-solicitation Synopsis. Modification 1 to the pre-solicitation synopsis was posted December 13, 2011, notifying Offerors that the procurement will be conducted under streamlined procurement procedures. Modification 2 was posted December 28, 2011, to notify all interested

parties that the procurement will be open to all certified SBA 8(a) small businesses without restriction to geographic region. Modification 3 was posted January 4, 2012, to announce the Pre-Proposal Conference was scheduled for January 10, 2012.

The final Request for Proposal (RFP) was released on January 4, 2012. A pre-proposal conference was held on January 10, 2012; questions were solicited and answered during the conference and subsequently posted to the Federal Business Opportunities website. Questions regarding the draft SOW and RFP were answered and posted to the Federal Business Opportunities website on January 27, 2012, via Amendment 1 which also extended the proposal due date to February 21, 2012. Amendment 2 was posted on February 6, 2012, to answer the final three questions to the RFP and to extend the proposal due date to February 22, 2012, so that proposals would not be due one day after a Federal holiday.

Proposals from Offerors were due February 22, 2012 and were submitted via five volumes: Volume I for Technical Acceptability, Volume II for Past Performance, Volume III for Cost/Price proposal, Volume IV for Other Proposal Requirements (subcontracting arrangement information and organizational conflict of interest avoidance plan), and Volume V for the Model Contract.

Proposals were received in response to the RFP from the following eight companies (in alphabetical order): (1) Aetos Systems, Inc.; (2) Ishpi Information Technologies, Inc.; (3) Jenesys Partners; (4) Logical Innovations, Inc.; (5) MRI Technologies; (6) S&K Global Solutions, LLC; (7) Thoth Solutions, Inc.; (8) Wichita Tribal Enterprises, LLC.

The proposal submitted by Thoth Solutions, Inc. was received after the proposal due date and time. In accordance with RFP Section M.2, *Proposal Arrangement, Page Limitations, Copies, and Due Dates*, late proposals will not be accepted and therefore not considered for evaluation and award. Thoth Solutions was notified that their proposal was late and would not be considered for evaluation for award. The SLPT evaluated the remaining seven proposals in accordance with the procedures below.

II. Evaluation Procedures

The RFP stated the Offeror's proposal will be evaluated by a Streamlined Procurement Team (SLPT) in accordance with applicable regulations which include the FAR, the NASA FAR Supplement (NFS), and in accordance with the RFP. The SLPT will carry out the evaluation activities and report to the Source Selection Authority (SSA), who is responsible for making the source selection decision. An initial review of proposals will be conducted to determine acceptability of the proposals in accordance with NFS 1815.305-70, Identification of Unacceptable Proposals. All unacceptable proposals will be eliminated from further evaluation.

All remaining proposals will then be evaluated against the Technical Acceptability requirements. Technical Acceptability will be assessed assigning an overall rating of either Acceptable (A), Potentially Acceptable (PA), or Unacceptable (U). Technical Acceptability subfactors include the Management and Staffing Plan, Phase-in Plan, Technical Approach, Total Compensation

Plan, and Safety and Health Plan. In accordance with RFP Section M.4.4, *Technical Acceptability (Volume I)*, all Technical Acceptability subfactors must be passed to be considered technically acceptable.

The RFP further explains that a proposal is rated Potentially Acceptable when after the initial evaluation, the proposal does not have an Unacceptable rating for any of the Technical Acceptability subfactors and the Government anticipates the provision of additional information during discussions could result in a proposal rating of Acceptable. Offerors were notified via the RFP Section M.2, *Award without Discussions*, that the Government intended to evaluate proposals and award a contract without discussions (except for clarifications as described in FAR 15.306(a)) as provided in FAR 52.215-1. Therefore, the Offeror's initial proposal should contain the Offeror's best terms. The Government reserved the right to conduct discussions if the Contracting Officer later determined them to be necessary. Although an Offeror may receive a rating of "Potentially Acceptable," it does not guarantee that discussions will be held or that the Offeror will automatically be included in the competitive range if discussions are held. All technically Acceptable and Potentially Acceptable Offerors will be evaluated against past performance, and cost/price criteria before any competitive range is established.

Since past performance can be a significant indicator of performance under the proposed contract, the past performance for each Offeror (including the past performance of Key Personnel) will be evaluated. The past performance evaluation will assess the degree of confidence the Government has in the Offeror's ability to fulfill the solicitation requirements for the contract while meeting schedule, budget, and performance quality constraints. The past performance evaluation considers each Offeror's demonstrated record of performance in supplying the requirements of this solicitation that meet the user's needs. More recent and more relevant performance will receive greater consideration in the performance confidence assessment than less recent and less relevant performance. Relevancy will be based on the size, scope, and complexity of the projects being evaluated for past performance. Contracts that exhibit all specific trades/type of work will be considered more relevant than contracts limited to specific trades only. In accordance with RFP Section M.4.5, *Past Performance (Volume II)*, the past performance effort of key personnel will be considered less relevant than the proposed past performance effort of the same magnitude and complexity of that offered by a prime or subcontractor. The key person's experience will be considered more relevant if it includes experience in managing integrated activities associated with one or more of the Sections 1.0, 2.0, and/or 3.0 of the SOW. Past Performance confidence ratings will be assessed at the overall factor level using the following scale: Very High Level of Confidence, High Level of Confidence, Moderate Level of Confidence, Low Level of Confidence, Very Low Level of Confidence, and Neutral.

To ensure that the final agreed-to prices are fair and reasonable, the Government will perform price analysis and will also perform cost analysis to include a cost realism analysis in accordance with the FAR 15.404, *Proposal Analysis*, and NFS 1815.404, *Proposal Evaluation*.

FAR 15.404-1(d)(1) defines cost realism analysis as the process of independently reviewing and evaluating specific elements of each Offeror's proposed cost estimate to determine whether the

estimated proposed cost elements are realistic for the work to be performed, reflect a clear understanding of the requirements, and are consistent with the unique methods of performance and materials described in the Offeror's technical proposal.

In accordance with FAR 15.404-1(d)(2), cost realism analysis will be performed to determine the probable cost of performance for each technically Acceptable or Potentially Acceptable Offeror. The Government's probable cost may differ from the proposed cost because it will reflect the Government's best estimate of the cost of the contract that is most likely to result from the Offeror's proposal. The probable cost may include adjustments to an Offeror's proposed cost, and fee when appropriate, to reflect any additions or reductions in cost elements to realistic levels based on the results of cost realism analysis.

In accordance with RFP Section M.4.6, *Cost/Price (Volume III)*, the probable cost will be used for purposes of evaluation and selection.

The Government will perform price analysis of all proposed IDIQ FFP prices. In accordance with FAR 15.404-1(d)(3) the Government may also perform a cost realism analysis of proposed FFP prices if the evaluation of the overall proposal or the Government's price analysis indicates there is a potential risk the Offeror doesn't understand FFP requirements, or that quality concerns exist, or that the proposed prices may result in quality or service shortfalls. However, in the case of FFP requirements, the offered prices shall not be adjusted as a result of the Government's cost analysis, if performed.

The results of the Government's cost and price evaluation will be presented to the Source Selection Authority (SSA) for consideration in making the source selection decision. The proposed phase-in price will also be presented to the source selection authority. However, if the phase-in price is determined to be reasonable, it will not be presented as the basis to differentiate one Offeror's total price from that of others.

As provided in the RFP, the Government will award to the Offeror whose proposal offers the best overall value to the Government that meets all solicitation requirements and is determined responsible in accordance with FAR 9.104, Standards. Further, the Subcontracting Arrangement Information (SAI) and the OCI information will also be used to determine eligibility.

In accordance with RFP Section M.4.7, *Tradeoff Process*, for those Offerors who are determined to be technically acceptable, tradeoffs will be made between past performance and cost/price. Past performance is significantly more important than cost.

III. Evaluation of Initial Proposals

Timely proposals were received in response to the RFP from the following seven companies (in alphabetical order): (1) Aetos Systems, Inc. (Aetos); (2) Ishpi Information Technologies, Inc. (Ishpi); (3) Jenesys Partners (Jenesys); (4) Logical Innovations, Inc. (Logical); (5) MRI Technologies (MRI); (6) S&K Global Solutions, LLC (SKGS); (7) Wichita Tribal Enterprises, LLC (WTE).

None of the Offerors took exception to the RFP requirements. A preliminary review of the remaining proposals was conducted in accordance with NFS 1815.305-70 and the RFP requirements. During the initial page-count assessment the SLPT discovered that a majority (5 of 7) of the Offerors used a tabular format for providing requested information in response to Volume II, Past Performance. The utilization of “tables” for the majority of their submission in Volume II, Past Performance, allowed the Offerors to include more information in the same amount of pages (within the 25-page limitation). The SLPT determined that use of tables for the past performance and key personnel information was not in the spirit of what the solicitation stated and that the majority of Volume II should have been in a narrative versus tabular format. Due to ambiguous language in the solicitation on when to use 10-point versus 12-point font and when tables are appropriate to be utilized, the SLPT determined that it was in the best interest of the Government to issue an amendment to the solicitation to allow all Offerors whose proposals were received prior to the proposal receipt cutoff time the opportunity to resubmit Volume II, Past Performance in its entirety. Therefore, Amendment 3 was issued on February 29, 2012, providing the Offerors with updated instructions to the solicitation which changed the font size requirements for Volume II, Past Performance specifically to 12-point Arial font. In addition, the page limitation was increased from 25 to 30 pages. Volume II, Past Performance was to be resubmitted in its entirety by March 6, 2012 in the quantities requested in accordance with the revised instructions of RFP Section L.14.2.

The SLPT also conducted an initial cursory review of the Volume I, Technical Acceptability, for excessive use of tables and other diagrams and schematics. Based upon the initial cursory review, no concerns were noted in the technical proposals regarding excessive use of tables and other content. In accordance with the evaluation plan, the SLPT performed a random draw to determine the evaluation order of the proposals and commenced evaluation of Volume I. The first three proposals were reviewed for Technical Acceptability. Upon review of the fourth proposal, an excessive use of tables was identified that had not been found during the initial page count. A more thorough review of the remaining proposals identified similar excessive use of tables which, in essence, allowed the Offerors to include more information within the page count limitation. The EPIC SLPT again determined that, due to ambiguous language in the solicitation, it was in the best interest of the Government to process an amendment to the solicitation to ensure that an equitable evaluation of proposals in response to the EPIC solicitation occurred. Therefore, Amendment 4 was issued on March 8, 2012, requiring the resubmission of Volume I, Technical Acceptability, page-limited content. The Amendment extended the proposal due date; clarified proposal preparation requirements for Volume I, Technical Acceptability, page-limited content only; and increased the Volume I page limitation from 40 pages to 45 pages. Volume I, Technical Acceptability, page-limited content only, was to be resubmitted by March 15, 2012 in accordance with the revised instructions in RFP Section L.14.2.

In accordance with NFS 1815.305-70 and the RFP requirements, the SLPT reviewed the proposals upon receipt for acceptability of the revised Volume I and Volume II content in response to Amendments 3 and 4. All submissions were determined to be acceptable, and the SLPT redrew to establish the evaluation order of the proposals, and commenced with the evaluation of the revised Volume I content.

The proposals were evaluated for Technical Acceptability in accordance with the RFP as well as FAR Part 15 and NFS Part 1815. At the conclusion of the initial evaluation of Technical Acceptability, the SLPT determined that proposals submitted by Ishpi, Jenesys, and Logical were Unacceptable for one or more of the Technical Acceptability subfactors in RFP Section M.4.4 and would no longer be considered for award. Ishpi's proposal was considered Unacceptable for the Management and Staffing Plan, Technical Approach, and Safety and Health Plan subfactors. Jenesys's proposal was considered Unacceptable for the Technical Approach subfactor. Logical's proposal was considered Unacceptable for the Technical Approach subfactor.

The SLPT further determined that the proposal submitted by Aetos, MRI, SKGS; and WTE were Potentially Acceptable. The SLPT proceeded with evaluation of the past performance and cost/price of these four remaining proposals.

Following the evaluation of initial proposals, the SLPT determined that communications were required to be held with WTE prior to determining the Competitive Range due to a past performance concern, in accordance with FAR 15.306(b)(1)(i), *Communications with offerors before the establishment of the competitive range*. Communications were focused on how the resources of Anadarko Industries would be provided or relied upon for contractor performance such that Anadarko Industries would have meaningful involvement in contract performance. The written communications response did not demonstrate that Anadarko Industries' resources would be meaningfully involved in the performance of SOW 1, SOW 2, or SOW 3 tasks. After completing written communication, the SLPT determined that the Wichita team's proposal lacked demonstrated corporate Past Performance for the SOW 1 area resulting in an overall Past Performance rating of a "Low Level of Confidence."

Upon completion of the evaluation of proposals, the Contracting Officer determined the competitive range. Ishpi, Jenesys, Logical, and WTE were not among the most highly rated proposals and they were therefore excluded from the competitive range. Ishpi, Jenesys, Logical were not among the most highly rated proposals due to their proposals being determined to be Unacceptable. WTE was not among the most highly rated proposals because of a past performance low confidence rating after communications were held. On June 22, 2012, each unsuccessful offeror was notified in writing pursuant to FAR 15.503, *Notification to Unsuccessful Offerors*. Jenesys, Logical, and WTE requested post-award debriefings. Ishpi requested a pre-award debriefing which was held on July 9, 2012.

Aetos, MRI, and SKGS, as the most highly rated proposals, were determined to be within the competitive range. Aetos, MRI, and SKGS were notified on June 22, 2012, of their inclusion in the competitive range. Each letter included questions for written discussions and, if necessary, a tentative oral discussion date, location, and agenda.

Written discussion responses from the three Offerors included in the competitive range were received on June 29, 2012. The SLPT determined that oral discussions would be needed, and all three Offerors were notified on July 5, 2012 that oral discussions would be held. Each Offeror

also received an email on July 9, 2012, confirming the oral discussions. Oral discussions with Aetos were held on July 11, 2012 beginning at 9:00am. Oral discussions with MRI were held on July 11, 2012 beginning at 1:00pm. Oral discussions with SKGS were held on July 12, 2012 beginning at 9:00am. In each case, oral discussions covered the written responses received from that Offeror.

Discussions were closed on July 25, 2012 when the three Offerors in the competitive range were each sent a letter notifying them that discussions were closed and requesting a final proposal revision (FPR) and a signed model contract reflecting the Offerors intent to be contractually bound. The letter also stated that the Government will base its final evaluation on signed Model Contracts and FPRs, therefore, the Offeror should incorporate the changes it believes are necessary as a result of the discussions. The letter also cautioned the Offerors against making broadly indiscriminate or unsubstantiated changes to their previously submitted proposals and reminded them that written and oral discussions shall not be construed as guidance or direction on the part of the Government to modify their proposal in any way.

IV. Evaluation of Final Proposal Revisions

FPRs were received on July 31, 2012 from all three Offerors in the competitive range. Each Offeror's FPR was then evaluated for Technical Acceptability.

Technical Acceptability

After evaluation of the Offerors' FPRs, the SLPT determined that the proposals submitted by Aetos and SKGS were Acceptable for all subfactors and were therefore considered overall Acceptable. The SLPT determined that changes made in the FPR by MRI made its FPR Unacceptable for the Technical Approach subfactor. Because MRI's proposal did not pass all of the Technical Acceptability subfactors, MRI's proposal received an overall score of Unacceptable for Technical Acceptability. Consequently, in accordance with RFP Section M.4.7, the SLPT determined that MRI's proposal could no longer be considered for award , and therefore was not further evaluated for Past Performance or Cost/Price.

The SLPT then evaluated the FPRs for SKGS and Aetos for Past Performance evaluating aspects of each Offeror's recent past performance (including key personnel) that were relevant to the EPIC effort.

Past Performance

The SLPT determined SKGS' overall past performance level of confidence rating as a "High Level of Confidence." The SLPT evaluated past performance information for SKGS and its two proposed major subcontractors, Booz Allen Hamilton, Inc. (BAH), and S&K Aerospace, LLC (SKA). The past performance of proposed key personnel was also evaluated.

In the case of SKGS, the SLPT determined that given a highly pertinent relevancy (corresponding to high confidence), a very effective quality past performance (corresponding to

high confidence), and a safety past performance indication of high ability, there is a high level of confidence that the SKGS/BAH/SKA team will successfully perform the required effort.

The SLPT determined Aetos' overall past performance level of confidence rating as a "High Level of Confidence." The SLPT evaluated past performance information for Aetos and its two proposed major subcontractors, Ares Technical Services Corporation, and Manufacturing Technical Solutions, Inc. (MTS). The past performance of proposed key personnel was also evaluated.

In the case of Aetos, the SLPT determined that given the combination of pertinent relevancy (corresponding to moderate confidence), a very effective quality past performance (corresponding to high confidence), and a safety past performance indication of high ability, there is a high level of confidence that the Aetos/ ARES Technical Services /MTS team will successfully perform the required effort.

Both SKGS and Aetos proposed to perform the EPIC statement of work using a combination of resources to be provided by the proposed prime contractor and by major subcontractors identified in the two proposals. In accordance with RFP Section L.14.5, SKGS and Aetos both clearly detailed in their proposals which portions of the SOW the prime and the major subcontractors would be responsible for performing. Each team demonstrated that through the past performance of the proposed prime contractor, proposed subcontractors, or past experience of identified key personnel, that their team had at least some amount of recent and relevant experience in each of the four areas of the EPIC statement of work. Those areas are (1) Computer Support and Application Services, (2) Strategic and Organizational Planning and Process Improvement, (3) Configuration Management and Project Facilitation and (4) Contract Management.

SKGS has proposed to provide the EPIC Project Manager and to serve as the primary provider for SOW 1 section 1.4 and all of SOW 3 and serve as a secondary provider for most of the rest of the contract content. SKGS has proposed Booz Allen Hamilton as a subcontractor to be the primary provider for portions of SOW 1 section 1.1 and 1.2 and SOW 2 and to serve as a secondary provider for the rest of the SOW tasks. SKGS has proposed SKA as a subcontractor to be the primary provider for SOW 1 sections 1.3, 1.5, and 1.6 and to be the secondary provider for the rest of SOW 1 and for SOW 3. When the SLPT assessed the past performance information the SKGS presented against these proposed responsibilities, they determined that SKGS, BAH and SKA each had at least some relevant corporate past performance experience in the areas of the SOW each company was proposed to perform for EPIC.

Aetos has proposed to provide the Project Manager, performing part of SOW 1 and SOW 2 content, and serve as the primary provider for SOW 3 content including providing a TO3 manager. Aetos has proposed MTS as a subcontractor to provide staff for SOW 2 content including providing the TO2 manager and to provide some content for SOW 1 and SOW 3. Aetos has proposed ARES Technical Services to be the primary provider for SOW 1 content and provide the TO1 manager and to provide some content for SOW 2 and SOW 3. ARES Technical Services appears to be a new company without a record of recent and relevant past

performance. In their proposal, Aetos has offered past performance for ARES Corporation (a corporate affiliate of ARES Technical Services) as a substitute for ARES Technical Services' past performance. When describing the resources of ARES Corporation that will be relied upon to perform the EPIC SOW, the Aetos proposal indicates that ARES Corporation will provide support that aligns with the SOW 4, Contract Management tasks, but the proposal has not demonstrated that the resources of ARES Corporation will have meaningful involvement in performance of SOW 1, 2, and 3 for which ARES Technical Services is responsible for performing tasks. While Aetos and MTS both have at least some amount of recent and relevant demonstrated corporate experience in each of the four areas of the EPIC statement of work, ARES Technical Services is proposed to be the primary provider for SOW 1 and lacks demonstrated corporate performance for SOW 1. Based upon the above, the SLPT determined that the Aetos team's corporate past performance was pertinent.

The Aetos team proposed an SOW 1 Task Manager as key personnel who has demonstrated experience in Computer Support and Application Services. However, in accordance with RFP Section M.4.5, "the proposed past performance effort of key personnel will be considered less relevant than the proposed past performance effort of the same magnitude and complexity of that offered by a prime or subcontractor."

Cost/Price

As a part of the cost realism analysis, in February and March of 2012 the SLPT requested cost realism audits of all Offerors and their major subcontractors' cost proposal from the Defense Contract Audit Agency (DCAA). The SLPT received information from the DCAA auditors which assisted the SLPT in determining that each of the Offerors' responses were adequate to determine the reasonableness of the proposed cost/price.

The cost proposals were evaluated consistent with the evaluation criteria in Section M.4.6 of the RFP. A cost realism analysis was performed for each proposal, resulting in a probable cost.

SKGS' initial proposed cost and price, was \$42,216,396, and the Government's probable cost and price was \$45,401,623. In the final proposal revision, SKGS' proposed cost and price was \$43,028,323. After conducting a cost realism analysis for SKGS' proposal, the SLPT determined that no corrections or adjustments were required and that SKGS' proposed labor rates were reasonable. SKGS proposed to pay labor rates established by the local labor market rather than incumbent rates. The SLPT determined that the final probable cost and price for SKGS' proposal was \$43,028,323.

Aetos' initial proposed cost and price, was \$49,093,091, and the Government's probable cost and price was \$47,951,848. In the final proposal revision, Aetos' proposed cost and price, was \$41,153,047. When conducting a cost realism analysis for Aetos' proposal, the SLPT determined that it was necessary to correct a pricing error in Aetos' final proposal revision. The EPIC RFP Section L.14.6.2 required Offerors to straight-line WYE resources using CY2 resources for contract years three through five. Aetos did not comply with this instruction, creating a potential unfair cost advantage when compared with Offerors whose cost volumes did

straight-line these resources in accordance with the RFP instructions. Because Aetos provided information in sufficient detail for the SLPT to correct the errors, in accordance with FAR 52.215-1(f)(3), the SLPT determined to waive the minor irregularity and accept the proposal and correct this pricing error to conform to Aetos' pricing to the RFP requirements. This correction resulted in a net increase of \$963,019 to Aetos' proposed price of \$41,153,047, making Aetos' corrected price \$42,116,066.

The SLPT also determined that a probable cost adjustment was necessary based upon Aetos' proposal to pay incumbent direct labor rates. Incumbent labor rates were calculated using information provided by the incumbent contractors and weighted averages were utilized to determine the Government's estimated incumbent labor rates, given the information provided. This probable cost adjustment to Aetos' proposed and corrected price resulted in a net increase of \$1,280,600 making Aetos' final probable cost/price \$43,396,667.

For the firm-fixed price portion of the contract, the SLPT performed a price analysis to determine price reasonableness. The price proposals were evaluated for price reasonableness by comparison against the prices submitted by the other Offerors. There was adequate price competition to enable the SLPT to determine that all of the price proposals were reasonable.

V. Decision

With respect to the EPIC contract, my decision was based on selecting the proposal offering the best value, consistent with the RFP's stated criteria for award. I fully considered the findings the SLPT presented to me. I posed a variety of questions to the SLPT. I requested and received the opinions of the advisors present at the meetings on August 29, 2012 and September 6, 2012, and I asked for their comments, objections, or concerns with the materials presented. I commended the SLPT on their evaluation of the proposals. After considering the SLPT's findings and their answers to my questions, I took no exceptions to the SLPT's evaluation and I have adopted the SLPT's evaluation.

Technical Acceptability

In accordance with the Past Performance Price Tradeoff procedure established by the EPIC RFP, I first considered the Technical Acceptability of the three companies in the competitive range (SKGS, Aetos, and MRI) before focusing on the other evaluation criteria of Past Performance and Cost/Price. I reviewed not only the SLPT's overall rating for the Offerors' proposals, but also the SLPT's evaluation of each of the five Technical Acceptability subfactors set out in RFP Section M.4.4. The EPIC SLPT rated each Technical Acceptability subfactor as either Acceptable (A), Potentially Acceptable (PA), or Unacceptable (U). I considered the SPLT's assessment of each Offeror's Management and Staffing Plan, Phase-in Plan, Technical Approach, Total Compensation Plan, and Safety and Health Plan, recognizing that in accordance with the requirements of RFP Section M.4.4, "ALL Technical Acceptability subfactors must be passed for a proposal to be considered technically acceptable."

I first considered the SLPT's Technical Acceptability evaluation of SKGS' FPR. The SLPT rated SKGS' proposal as Acceptable for all five subfactors with an overall rating of Acceptable. I have reviewed and I agree with the SLPT's Acceptable rating for all five subfactors and with the overall Technical Acceptability rating of Acceptable for SKGS' FPR. I specifically examined the information the SLPT provided regarding SKGS' Phase-in Plan, Technical Approach, and Total Compensation Plan and I agree with the SLPT that SKGS has provided sufficient evidence to demonstrate that their Phase-in Plan, Technical Approach, and Total Compensation Plan are reasonable, feasible, and complete and do not contain associated risks that would jeopardize an acceptable level of contract performance. I agree that SKGS' proposed technical approach provides an adequate rationale for the skill mix proposed. In accordance with RFP Section M.4.7, since SKGS' proposal was determined to be overall Acceptable for the Technical Acceptability factor, the SLPT conducted further evaluations of SKGS' Past Performance and Cost/Price.

I next considered the SLPT's Technical Acceptability evaluation of Aetos' FPR. The SLPT rated Aetos' proposal as Acceptable in all five subfactors with an overall Technical Acceptability rating of Acceptable. I have reviewed and I agree with the SLPT's rating of Acceptable for all five subfactors and with the overall rating of Acceptable for Aetos' FPR. I specifically examined the information the SLPT provided regarding Aetos' response to the technical approach subfactor and I agree with the SLPT that Aetos has proposed an adequate rationale for the skill mix provided and that the technical approach proposed was reasonable, feasible, and complete, and did not contain associated risks that would jeopardize an acceptable level of contract performance. In accordance with RFP Section M.4.7, since Aetos' proposal was determined to be overall Acceptable for the Technical Acceptability factor, the SLPT conducted further evaluations of Aetos' Past Performance and Cost/Price.

Finally, I considered the SLPT's Technical Acceptability evaluation of MRI's FPR. The SLPT rated MRI's proposal as Acceptable for four of the five subfactors outlined in RFP M.4.4. MRI's Management and Staffing Plan, Phase-in Plan, Total Compensation Plan, and Safety and Health Plan were considered Acceptable, however the SLPT determined that the proposal submitted by MRI was Unacceptable for the Technical Approach subfactor. Because MRI's proposal did not pass all of the Technical Acceptability subfactors, MRI's proposal received an overall score of Unacceptable for Technical Acceptability. I very carefully reviewed the SLPT's evaluation of this subfactor and I agree with the SLPT's determination that MRI's Technical Approach is Unacceptable and that therefore MRI's overall rating for Technical Acceptability should be Unacceptable.

The EPIC SLPT determined that the Technical Approach proposed by MRI to supporting Task Order 4, Section 1.1, General Directorate Support – Help Desk Function was Unacceptable due to an unreasonable and infeasible proposal of resources to support Task Order 4, Section 1.1. In their final proposal revision, MRI's proposed technical approach reflected an unsubstantiated change that resulted in only two IT technicians being proposed for the IT help desk function. MRI's proposal did not include any rationale to explain how the proposed two IT technicians alone could successfully implement the Task Order 4, Section 1.1 requirements. The IT help desk tasks are to be performed for the entire Engineering Directorate and serve, in essence, as a

front-door to the contract for IT services. The SLPT determined that MRI's proposed technical approach is infeasible as it represents a level of risk which would jeopardize an acceptable level of contract performance due to too few skills provided, which in turn presents a risk to help desk responsiveness leading to work stoppage, and a risk of inability to implement the task requirements.

I questioned the SLPT regarding MRI's proposal of two IT technicians for the Task Order 4, Section 1.1 IT help desk function. I am satisfied that the SLPT had meaningful written and oral discussions including an e-mail exchange during discussions specifically addressing the transition of work from Task Order 1 to Task Order 4. I am satisfied that this change to MRI's FPR from their initial proposal is presented in such a manner in MRI's FPR as to clearly indicate that this was a deliberate change to the skill mix and an intentional reduction in resources devoted to Task Order 4, Section.1.1. from the staffing level and skill mix MRI initially proposed. During discussions the SLPT had absolutely no indication that MRI intended to reduce the resources devoted to the Task Order 4, Section 1.1. IT help desk function upon submission of their FPR.

Task Order 4, described in RFP Attachment L-03-TO4, requires the contractor to provide continuous IT help desk support to the JSC Engineering Directorate during normal business hours (from 8:00 am – 5:00pm daily). Help desk personnel must be able to handle 40-50 help desk calls per day, with a requirement to make contact with end users within 4 hours and resolve all help desk requests in a timely manner. The task also requires the contractor to maintain the loan pool of temporary use of IT equipment and peripherals, such as laptops, printers, CD/DVD RW drives, cellular devices, international power adapter, etc. for use by Engineering Directorate personnel. This requirement includes maintenance of a tracking log of such temporary use items as well as configuring the laptops for individual users and ensuring wipe and load are performed when laptops are returned when necessary.

Section L.14.4C of the RFP required that, "...resources should be identified in sufficient detail to permit an assessment of the adequacy of the types and amounts of manpower skills proposed." MRI's proposal fails to substantiate why MRI believes two IT technicians are acceptable for the performance of this task. In the absence of this information, the SLPT determined that the risk posed by the proposed approach was unacceptable. I agree with the SLPT's determination that MRI's proposed technical approach to staffing this task represents a level of risk which would jeopardize an acceptable level of contract performance. I agree with the SLPT's assessment that MRI's Technical Approach to staffing the IT help desk with only two IT technicians is unreasonable and infeasible. I therefore agree that MRI's final proposal should be considered Unacceptable for this Technical Acceptability subfactor and that therefore the overall Technical Acceptability rating for MRI's proposal should be Unacceptable. Consequently, in accordance with RFP Section M.4.7, MRI's proposal could no longer be considered for award, and therefore should not be further evaluated for Past Performance or Cost/Price.

Past Performance

Next, I considered the Past Performance of the two remaining technically Acceptable Offerors, SKGS and Aetos. In evaluating the value of these two remaining Offerors, I considered these Offerors' Past Performance to be significantly more important than their Cost/Price in accordance with tradeoff criteria articulated in RFP Sections M.4.3 and M.4.7. I engaged the SLPT and other attendees in an extensive discussion about the Past Performance of the two proposals during the SLPT's presentation on August 29, 2012. Although I agree that both teams merited the overall rating of High for Past Performance, I requested that the SLPT provide me with additional details on the past performance contract experience of SKGS and Aetos, to assist me in reaching my decision. At my request, the SLPT conducted an additional review of the Past Performance information available and presented their findings to me on September 6, 2012.

In RFP Section L.14.5, the SLPT solicited Past Performance information for the corporate experience of each proposed prime contractor and all major subcontractors identified in their proposals. Additionally, the SLPT solicited information relating to the past experience of each Offeror's proposed Project Manager and any other Key Personnel proposed. Lastly, the SLPT solicited historical Environmental and Safety performance data for each team. The SLPT considered the past performance, quality, and safety, health, and environmental data collected when reaching the overall High confidence for both Offerors.

The SLPT's assessment, which I agree with, is that both the SKGS and the Aetos teams merit an overall Past Performance rating of High. This overall rating reflects the SPLT's assessment that, based on the Offerors' performance record, "there is a high level of confidence that the Offeror will successfully perform the required effort." Having reviewed all of the past performance information presented, I have no doubt that either team could fulfill the solicitation requirements for the EPIC contract.

After examining the Past Performance record in detail however, I believe that there are discriminators between the two teams' Past Performance that affect the degree of confidence I have as the Source Selection Authority in the greater ability of one Offeror to fulfill the solicitation requirements while meeting schedule, budget, and performance quality constraints. The key discriminators in my view relate to differences in the pertinence of the past contract performance of the two proposed teams, the depth and breadth of the past performance experience the teams demonstrated across all areas of the EPIC Statement of Work, the past experience of the proposed prime contractors in managing comparable subcontract efforts, and specific past performance experience utilizing the same prime/subcontractor teaming arrangement proposed to perform the EPIC effort.

In assessing the pertinence of each team's prior contract performance, the EPIC SLPT evaluated prior contracts performed by the proposed prime contractor, prior contracts performed by proposed subcontractors, and the past experience of proposed key personnel for relevant experience compared to the work to be performed under EPIC. The SLPT then combined these evaluations to reach their single overall rating of contract performance relevancy for each team. Contract performance relevancy was then combined with assessments for quality performance relevancy and safety relevancy to reach the overall rating for Past Performance.

The SLPT determined that overall, the contract performance relevancy for the SKGS team was highly pertinent, corresponding to a high level of confidence. The SLPT determined that the overall contract performance relevancy for the Aetos team was pertinent, corresponding to a moderate level of confidence. While both Offerors demonstrated the same level of effective overall quality and high ability in safety, health, and environmental performance, the SLPT determined that the SKGS team offered overall past performance experience that was more relevant to the EPIC Statement of Work than the Aetos team. In accordance with RFP Section M.4.5 more relevant performance will receive greater consideration in the performance confidence assessment than less relevant performance, and prior contracts that exhibit all types of work will be considered more relevant than contracts limited to specific trades only. I find significant value to the Government in selecting the proposing team whose past performance demonstrates more relevant performance with the EPIC contract requirements. I believe the contractor with more relevant experience performing the requirements of the EPIC statement of work will have a greater ability to fulfill the EPIC solicitation requirements. In this case, I agree with the SLPT that the SKGS team offers more relevant contract Past Performance.

Although both Offerors demonstrated some experience in each area of the SOW, I found that SKGS' proposal offered a greater depth and breadth of past performance experience across all areas of the EPIC Statement of Work than did Aetos' proposal. I find greater value to the Government in selecting an Offeror whose proposal demonstrates prime contractor and subcontractor corporate experience across all areas of the EPIC contract requirements. Although Key Personnel experience is considered, in accordance with RFP Section M.4.5, "the proposed past performance effort of key personnel will be considered less relevant than the proposed past performance effort of the same magnitude and complexity of that offered by a prime or subcontractor." I believe that a contract team offering demonstrated corporate experience in all areas of the required SOW will have a greater ability to fulfill all of the contract requirements while meeting schedule, budget, and performance quality constraints, than would a contract team which has not demonstrated corporate experience in one of the areas of the statement of work. In this case I believe that SKGS offers greater value to the Government based upon the superior depth and breadth of their past performance experience across all areas of the EPIC Statement of Work.

As a small business 8(a) set aside contract with a total NTE value of \$49.9M over five years, I found it to be very important for the SLPT to investigate whether either SKGS or Aetos had Past Performance experience managing large value subcontracts. In their EPIC proposals, both SKGS and Aetos proposed to subcontract a large percentage of the contract effort. SKGS proposed to perform 53% of the EPIC contract value using their corporate resources (correlating to approximately \$26.45M over five years) and to subcontract 31% of the effort to Booz Allen Hamilton (correlating to approximately \$15.47M over five years) and to subcontract the remaining 16 % of the effort to S&K Aerospace (correlating to approximately \$7.98M over five years). Aetos proposed to perform 54% of the EPIC contract value using their corporate resources (correlating to approximately \$26.95M over five years) and to subcontract 25% of the effort to ARES Technical Services (correlating to approximately \$12.48M over five years) and to

subcontract the remaining 21% of the effort to Manufacturing Technology Solutions (correlating to approximately \$10.48M over the five years).

During my meeting with the members of the SLPT on August 29, 2012, it was not apparent from the SLPT's assessment of the past performance information provided by SKGS and Aetos whether either proposed prime contractor had prior experience managing large value subcontracts. As SKGS and Aetos have proposed to subcontract 47% and 46% of the total contract effort, representing up to an estimated respective \$23.45M - \$22.95M in subcontract value over the total five year possible duration of the EPIC contract effort, I requested the SLPT review the past performance information available for SKGS and Aetos for evidence demonstrating what experience, if any, these proposed prime contractors had managing subcontracts and particularly subcontracts of comparable magnitude.

In their FPR, SKGS presented Past Performance information for one recent contract where they served as the prime contractor. That contract, the US Air Force Manpower Support Service (MSS) Contract, had an overall contract value of \$12.8M and was considered relevant and similar in content and complexity to many areas of the EPIC SOW. When I met with members of the SLPT on September 6, 2012, they reported that SKGS' MSS Contract was a \$12.8M total effort performed over a total of only nine months. They indicated that the MSS procurement was a small business set aside competition and that SKGS had subcontracted an unknown portion of the MSS contract effort to Booz Allen Hamilton and S&K Aerospace; the same two subcontractors SKGS has proposed to team with for the performance of the EPIC effort. Although the SLPT was not able to determine the exact value of that subcontracted effort, as a small business set aside contract, SKGS would have been required to perform at least 51% of the MSS contract effort. The MSS contract is a relevant contract of a lesser total magnitude than the EPIC effort (\$12.8M rather than \$49.9M) however the MSS contract work was performed over a far shorter period of time (nine months as compared to five years), likely leading to shorter duration but more intense contract and subcontract performance effort when compared to the EPIC effort. Although the SLPT could not determine the actual magnitude of the MSS subcontract, the information they provided demonstrates that SKGS has past experience managing subcontracts with the same large business subcontract team being proposed for EPIC.

In their FPR, Aetos presented Past Performance information for two recent contracts where they served as the prime contractor. The first prime contract Aetos presented was the NASA Marshall Space Flight Center Building Automation System Support for Center Operations (BASSCO) Contract which had an overall contract value of \$3.5M and was considered relevant and similar in complexity and scope to the content of EPIC SOW 1 and SOW 2 and somewhat relevant to the complexity and scope of the tasks in SOW 3. The second Aetos prime contract presented was the U.S. Army's Information Technology Electronics, Communications and Support (ITECS) Contract which had an overall contract value of \$21.9M, but which the SLPT considered not relevant to any portion of the EPIC SOW. When I met with members of the SLPT on September 6, 2012, they reported that the Aetos BASSCO Contract had a two year period of performance. The SLPT was not able to determine if there was a subcontract management effort under the BASSCO. However given the total contract value over the two year period of performance, I do not believe that subcontract management experience gained by

Aetos under BASSCO would be comparable in magnitude to the EPIC-proposed subcontract management. Any such effort would likely be less than \$1M in subcontracted work per year under BASSCO as compared to an EPIC-proposed estimate \$4.5M per year over the five year life of the EPIC effort. The EPIC SLPT also reviewed available information for the Aetos ITECS Contract and the SLPT determined that the ITECS Contract did not appear to involve any subcontracted effort. Upon my review of this information, it does not appear to me that Aetos had experience managing subcontracts of a magnitude similar to this effort and they are proposing to manage 46% of the EPIC effort under subcontracts.

Although the SKGS MSS Contract is of a lesser total magnitude than the EPIC effort, the value of the work appears to be comparable in scope to the EPIC effort when the difference in contract duration is taken into account. Although the SLPT could not determine the actual magnitude of the MSS subcontract from the information available, SKGS' past performance with the MSS contract demonstrates that SKGS has past experience managing subcontracts with the same large business subcontract team being proposed for EPIC. The information available to the SLPT does not reflect comparable large business subcontract management experience by Aetos.

Because the two Offerors propose to perform 47% - 46% of the EPIC contract effort utilizing large business subcontractors representing up to \$23.45M - \$22.95M in total contract value over the next five years, I find that past performance experience in the management of large business subcontracts, particularly experience managing subcontracts of a magnitude comparable to those being proposed for the EPIC effort, is critical to successful EPIC contract performance. I believe that a contract team offering demonstrated experience in managing comparable large business subcontracts will have a greater ability to fulfill all of the contract requirements while meeting schedule, budget, and performance quality constraints. In this case I believe that SKGS' experience managing large business subcontracts under the MSS Contract provides value to the Government in demonstrating SKGS' corporate experience managing comparable subcontracts. I also find substantial value in the fact the MSS Contract demonstrates that SKGS has experience managing the same two large business subcontractors (BAH and SKA) being proposed for the EPIC effort. The prior experience of the SKGS/BAH/SKA team in performing the MSS contract demonstrates not only the past performance experience of the proposed prime contractor (SKGS) or the proposed subcontractors (BAH and SKA), but that these companies have a recent and relevant record of past performance as a team performing work that is similar in content and complexity to all areas of the EPIC SOW. I find substantial value to the Government in selecting a proposed team of companies with a relevant record of past contract performance working as a team.

Cost/Price

Although the final probable cost / price for SKGS was approximately \$368,000 lower than the final probably cost / price for Aetos, in reaching my selection decision I found that the overall cost/price offered by SKGS and Aetos to be essentially equal. Therefore, while cost/price is always a factor in selection and award, I did not find the difference between the proposals in cost/price to be a significant discriminating factor in reaching my selection decision.

In accordance with RFP Section M.4.6, I considered the probable cost for purposes of evaluation and selection.

I compared the final probable cost/price offered by SKGS of \$43,028,323 to the final probable cost/price offered by Aetos of \$43,396,667. I find that the difference between these amounts of approximately \$368,000 represents less than one percent of the total probable contract value and is not a significant difference.

VI. Conclusion

My ultimate decision involved a determination of which proposal I determined represented the best value to the Government. After a thorough consideration of each Offeror's Past Performance, I find that the SKGS team has demonstrated a record of overall highly pertinent contract performance and prior relevant experience managing a subcontract effort of comparable magnitude, indeed involving the same proposal team offered to perform the work under EPIC. I find value to the Government in selecting a contractor with a record of recent, relevant, past performance experience managing the same proposed contract team performing similar work of a comparable magnitude.

These advantages lead to an SKGS proposal that offers a greater ability to fulfill all of the contract requirements while meeting schedule, budget, and performance quality constraints at a probable Cost/Price that is essentially equal to that offered by Aetos, thus resulting in higher value to the Government.

I concluded that SKGS offered the best value to the Government.

I therefore select SKGS for award.



Delene Sedillo
Source Selection Authority



Date