

**Selection Statement
for
Logistics Services
(RFQ 8-1-1-A4-00155)**

On March 21, 2003, I along with other senior officials of Marshall Space Flight Center (MSFC) met with the evaluation team (ET) appointed to evaluate quotations in connection with the procurement of logistics services for MSFC.

I. Background

The ET members were appointed by the MSFC Center Director and included representation from the Center Operations Directorate, Engineering Directorate, and the Procurement Office. To aid in the evaluation, the ET appointed evaluators and advisors from appropriate disciplines to provide assessments of quotations. The ET utilized this information in conjunction with the predetermined evaluation factors and subfactors in formulating strengths and weaknesses.

The procurement will be awarded as an order under the General Services Administration's (GSA's) Logistics Worldwide (LOGWORLD) Federal Supply Schedule using the procedures of FAR Subpart 8.4. Under these procedures, the ordering organization reviews the list of companies, which have contracts under the Schedule, to determine which companies to solicit. After completing a market analysis for each company, the following five companies were chosen to receive the solicitation:

Cortez, Incorporated (Cortez)
EG&G Technical Services, Incorporated (EG&G)
Logistics & Environmental Support Services Corporation (LESCO)
Logistics Value Integrations, Incorporated (Logvalue)
Shaw Environmental and Infrastructure, Incorporated (Shaw)

In addition, the Alabama Department of Rehabilitation Services was sent a copy of the solicitation in accordance with their request under the Randolph-Sheppard Act.

The Request for Quotation (RFQ) for MSFC Logistics Services was released on November 4, 2002. The RFQ required contractors to provide services relating to environmental matters, mail distribution, equipment maintenance and repair, motor pool (e.g. special purpose equipment and personnel transportation), property (e.g. warehousing, supply, inventory, shipping, receiving, and flight hardware), move operations, property disposal, and food for MSFC. The RFQ also stated that the effort would be performed under a firm-fixed-price (FFP) order with an indefinite delivery/indefinite quantity (IDIQ) provision. The order's period of performance will consist of a three-year base period, two one-year options, and five award term periods (totaling three years) for a total potential period of performance of eight years. The

award term periods allow the contractor to earn additional periods of performance based on the contractor's performance.

On December 4, 2002, quotations were received from Cortez, EG&G, and LESCO. Shaw stated that they could not be competitive on price with small disadvantaged businesses due to the price evaluation adjustment for these businesses. Logvalue stated that they would have to team with an unfamiliar company to perform the total requirement and did not wish to do so. Pricing information from two of LESCO's proposed subcontractors was delivered late and not considered.

The RFQ prescribed three categories of evaluation factors: mission suitability, price, and past performance. Quoters were advised that the three factors were essentially equal in importance. Mission suitability was adjectively rated and numerically scored (1000 points) and consisted of four subfactors: technical approach (475 points), management approach (375 points), safety, health, and environmental (SHE) (100 points), and small disadvantaged business (SDB) participation (50 points).

The quotations were analyzed for accuracy and compliance with the Government requirements under mission suitability. With respect to price, quotes were compared to the independent Government cost estimate (IGCE) and were evaluated for reasonableness and realism. The past performance factor considered the performance of the prime and major subcontractors in efforts similar to the effort associated with this RFQ and the quality of relevant work performed in the past. Past performance was given an adjective rating without a numerical score.

II. Evaluation of Initial Quotations

All quotations were evaluated consistent with the criteria identified in the RFQ. The initial evaluation findings of the ET were presented to me, the Source Selection Authority (SSA), on January 21, 2003. These findings were as follows:

Cortez

Under the mission suitability factor, the initial quotation from Cortez demonstrated a reasonably sound response without any deficiencies. While the quotation contained both strengths and weaknesses, as a whole, the weaknesses that were not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of "good." Under mission suitability, the quotation received 2 significant strengths, 14 strengths, 9 significant weaknesses, and 57 weaknesses.

With respect to the technical approach subfactor under mission suitability, Cortez provided a quotation with numerous weaknesses and some strengths. Since the weaknesses outbalanced the strengths, the quotation received an adjective rating of "fair."

Under technical approach, the quotation received no significant strengths, 8 strengths, 3 significant weaknesses, and 30 weaknesses.

The significant weaknesses under the technical approach subfactor included: (1) the failure to adequately demonstrate an understanding of reliability centered maintenance, (2) the failure to adequately demonstrate an understanding of chemical tracking, and (3) the failure to adequately demonstrate a proactive method for replacing silver recovery cartridges necessary to prevent the buildup of hazardous waste.

With respect to the management approach subfactor under mission suitability, Cortez provided a reasonably sound response without any deficiencies. While the quotation contained both strengths and weaknesses, as a whole, the weaknesses that were not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of "good." Under management approach, the quotation received 2 significant strengths, 5 strengths, 5 significant weaknesses, and 20 weaknesses.

The significant strengths under the management approach subfactor included: (1) an integrated team management approach that would allow timely action and attention to personnel issues and that would provide total autonomy to the program manager, and (2) a transportation manager with extensive government-related logistics experience.

The significant weaknesses under the management approach subfactor included: (1) an inadequate staffing plan and an inadequate skill mix, (2) an inadequate discussion relating to the MSFC values and value tradeoffs, (3) a failure to adequately demonstrate an understanding of the IDIQ portion of the proposed effort, (4) a failure to submit job descriptions/qualifications for numerous positions, and (5) incomplete/inaccurate job descriptions/qualifications for many positions.

With respect to the safety, health, and environmental subfactor under mission suitability, Cortez provided a quotation with several weaknesses and no strengths. As a result, the quotation received an adjective rating of "fair." Under safety, health, and environmental, the quotation received no significant strengths, no strengths, 1 significant weakness, and 5 weaknesses.

The significant weakness under the safety, health, and environmental subfactor was that Cortez failed to adequately demonstrate an understanding of the risk assessment and the mitigation of risks associated with the proposed Safety and Health Plan.

With respect to the small disadvantaged business subfactor under mission suitability, Cortez provided a reasonably sound response without any deficiencies. While the quotation contained both a strength and weaknesses, as a whole, the weaknesses that were not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of "good." Under small disadvantaged business, the quotation received no significant strengths, 1 strength, no significant weaknesses, and 2 weaknesses.

Under the price factor, Cortez proposed a price of \$89.7 million for both the FFP effort and the IDIQ effort. However, in light of numerous concerns/discrepancies relating to the quoted price, a price confidence rating of "low" was assigned to this quote.

Under the past performance factor, an evaluation of Cortez's relevant past performance indicated that Cortez could reasonably be expected to perform satisfactorily. Thus, Cortez received an adjective rating of "good." Under past performance, Cortez received no significant strengths, 4 strengths, no significant weaknesses, and 3 weaknesses.

EG&G

Under the mission suitability factor, the initial quotation from EG&G demonstrated overall competence without any deficiencies. The quotation contained several significant strengths and the strengths outbalanced the weaknesses. Thus, the quotation received an adjective rating of "very good." Under mission suitability, the quotation received 7 significant strengths, 33 strengths, no significant weaknesses, and 27 weaknesses.

With respect to the technical approach subfactor under mission suitability, EG&G provided a quotation that demonstrated overall competence without any deficiencies. The quotation contained several significant strengths and the strengths outbalanced the weaknesses. Thus, the quotation received an adjective rating of "very good." Under technical approach, the quotation received 3 significant strengths, 14 strengths, no significant weaknesses, and 17 weaknesses.

The significant strengths under the technical approach subfactor included: (1) an excellent explanation and approach to reliability centered maintenance, (2) an excellent understanding of retail store operations, and (3) a company certification relating to ISO 9000 and a quality control plan that addressed ISO 9001:2000 requirements.

With respect to the management approach subfactor under mission suitability, EG&G provided a quotation that demonstrated overall competence without any deficiencies. The quotation contained several significant strengths and the strengths outbalanced the weaknesses. Thus, the quotation received an adjective rating of "very good." Under management approach, the quotation received 4 significant strengths, 13 strengths, no significant weaknesses, and 6 weaknesses.

The significant strengths under the management approach subfactor included: (1) a clear distinction between the FFP effort and the IDIQ effort relating to staffing and skill mix, (2) clear reporting channels between each subcontractor and the corresponding branch/section supervisor, (3) a clear and concise role for management/supervisors relating to the planning, directing, and controlling of work under the performance work statement, and (4) excellent values and discussion of their correlation to MSFC values.

With respect to the safety, health, and environmental subfactor under mission suitability, EG&G provided a reasonably sound response without any deficiencies. While the quotation contained both strengths and weaknesses, as a whole, the weaknesses that were

not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of "good." Under safety, health, and environmental, the quotation received no significant strengths, 3 strengths, no significant weaknesses, and 2 weaknesses.

With respect to the small disadvantaged business subfactor under mission suitability, EG&G provided a reasonably sound response without any deficiencies. While the quotation contained both strengths and weaknesses, as a whole, the weaknesses that were not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of "good." Under small disadvantaged business, the quotation received no significant strengths, 3 strengths, no significant weaknesses, and 2 weaknesses.

Under the price factor, EG&G proposed a price of \$95.6 million for both the FFP effort and the IDIQ effort. In addition, in light of few concerns/discrepancies relating to the quoted price, a price confidence rating of "high" was assigned to this quote.

Under the past performance factor, an evaluation of EG&G's relevant past performance indicated that EG&G is very competent and well suited to perform the effort as evidenced by several significant strengths. In addition, the strengths outbalanced any weaknesses. Thus, EG&G received an adjective rating of "very good." Under past performance, EG&G received 3 significant strengths, 7 strengths, no significant weaknesses, and 1 weakness.

The significant strengths under the past performance factor included: (1) significant and excellent performance with FFP, IDIQ, and time-and-materials contracts, (2) a world-class safety record (e.g., 2.6 million accident-free labor hours at MSFC), and (3) experience relating to the operation of a retail store coupled with the selection of Alabama Industries for the Blind and a teaming partner to operate the retail store.

LESCO

Under the mission suitability factor, the initial quotation from LESCO contained numerous weaknesses without any deficiencies and the weaknesses outbalanced the strengths. Thus, the quotation received an adjective rating of "fair." Under mission suitability, the quotation received no significant strengths, 10 strengths, 16 significant weaknesses, and 42 weaknesses.

With respect to the technical approach subfactor under mission suitability, LESCO provided a quotation with numerous significant weaknesses that would require a major quotation revision to address. Thus, the quotation received an adjective rating of "poor." Under technical approach, the quotation received no significant strengths, 4 strengths, 7 significant weaknesses, and 28 weaknesses.

The significant weaknesses under the technical approach subfactor included: (1) a failure to demonstrate an adequate understanding of the work requirements and a failure to

provide an adequate approach for the required services, (2) a failure to adequately address system use and work flow in connection with the work control system, (3) a failure to adequately address motor pool maintenance and repair in connection with reliability centered maintenance, (4) a failure to adequately address services required for the hazardous waste storage facility (HWSF), (5) a failure to adequately meet the performance work statement (PWS) requirements relating to food services, (6) a failure to properly quote the furniture screening function as part of the FFP effort as required by the solicitation, and (7) a failure to adequately address/resolve identified risks in connection with mail services, equipment maintenance and repair, motor pool services, property services, and move services.

With respect to the management approach subfactor under mission suitability, LESCO provided a quotation with several weaknesses and several strengths and the weaknesses outbalanced the strengths. Thus, the quotation received an adjective rating of "fair." Under management approach, the quotation received no significant strengths, 4 strengths, 7 significant weakness, and 11 weaknesses.

The significant weaknesses under the management approach subfactor included: (1) an inadequate discussion relating to the MSFC values and value tradeoffs, (2) limited authority in the program manager, (3) inappropriate staffing that resulted in both excessive staffing in some cases and deficient staffing in other cases, (4) a failure to adequately indicate staffing that will be used for the IDIQ work effort, (5) a failure to adequately demonstrate compliance with the requirement of the Service Contract Act, (6) a work control effort that was not adequately organized to be effective with all work functions, and (7) a failure to provide an adequate risk assessment.

With respect to the safety, health, and environmental subfactor under mission suitability, LESCO provided a quotation with weaknesses and strengths and the weaknesses outbalanced the strengths. Thus, the quotation received an adjective rating of "fair." Under safety, health, and environmental, the quotation received no significant strengths, 2 strengths, 2 significant weakness, and 2 weaknesses.

The significant weaknesses under safety, health, and environmental subfactor included: (1) a draft Safety and Health Plan that did not adequately address the minimum requirements and (2) a failure to adequately demonstrate an understanding of the requested risk assessment associated with the implementing the Safety and Health Plan.

With respect to the small disadvantaged business subfactor under mission suitability, LESCO provided a quotation with a weakness and no strengths. As a result, the quotation received an adjective rating of "fair." Under small disadvantaged business, the quotation received no significant strengths, no strengths, no significant weaknesses, and 1 weakness.

Under the price factor, LESCO failed to provide all of the requested elements relating to price. Thus, LESCO's proposed price could not be determined. As a result, a price confidence rating of "low" was assigned to this quote.

Under the past performance factor, an evaluation of LESCO's relevant past performance indicated that LESCO could reasonably be expected to perform satisfactorily. Thus, LESCO received an adjective rating of "good." Under past performance, LESCO received no significant strengths, 4 strengths, no significant weaknesses, and 4 weaknesses.

III. Determination of Finalists

Based on these findings, I established Cortez and EG&G as the finalists. LESCO was not determined to be a finalist because it did not have a reasonable chance of being selected for award. LESCO received an adjective rating of "fair" under the mission suitability factor. While they received a few strengths in mission suitability, they also received numerous weaknesses. Under the past performance factor, LESCO received an adjective rating of "good." LESCO's mission suitability rating was lower than those firms determined to be finalists and their past performance factor rating was equal to or less than the other two quotations. Also, LESCO's proposed price was incomplete.

On January 22, 2003, the two finalists were notified of their status. On January 24, 2003, Cortez and EG&G were requested to provide a written response to specific weaknesses and clarification issues identified during the evaluation of their quotations. The letters established a due date for the receipt of all written responses. Accordingly, February 5, 2003, was scheduled as the date for oral discussions with Cortez and February 7, 2003, was scheduled for EG&G. On February 8, 2003, Cortez and EG&G were advised that discussions were completed and the due date for receipt of final quotation revisions was February 18, 2003. Final quotations were received on this date and were subsequently evaluated consistent with the criteria identified in the RFQ.

IV. Evaluation of Final Quotation Revisions

As a result of the discussion process and the final quotation revisions (FQRs), EG&G was able to eliminate the overwhelming majority of their mission suitability weaknesses and Cortez was able to eliminate the majority of their mission suitability weaknesses. Cortez ended the discussions early after first acknowledging that they understood the remaining weaknesses and concerns. Both companies raised their numeric mission suitability scores and both companies retained their adjective rating in past performance. The revised prices were compared to the IGCE. The final evaluation results of the FQRs are summarized below.

Cortez

Under the mission suitability factor, the final quotation from Cortez demonstrated a reasonably sound response without any deficiencies. While the quotation contained both

strengths and weaknesses, as a whole, the weaknesses that were not offset by strengths did not significantly detract from the quotation. Thus, the quotation again received an adjective rating of “good.” Under mission suitability, the quotation received 1 significant strength, 14 strengths, 2 significant weaknesses, and 21 weaknesses.

With respect to the technical approach subfactor under mission suitability, Cortez provided a reasonably sound response without any deficiencies. While the quotation contained both strengths and weaknesses, as a whole, the weaknesses that were not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of “good” (representing an improvement over the initial quotation). Under technical approach, the quotation received no significant strengths, 8 strengths, no significant weaknesses, and 13 weaknesses. In other words, as a result of discussions, all significant weaknesses were eliminated and only 17 weaknesses were eliminated under this subfactor.

With respect to the management approach subfactor under mission suitability, Cortez provided a quotation that demonstrated overall competence without any deficiencies. The quotation contained a significant strength and the strengths outbalanced the weaknesses. Thus, the quotation received an adjective rating of “very good” (representing an improvement over the initial quotation). Under management approach, the quotation received 1 significant strength, 5 strengths, 2 significant weaknesses, and 6 weaknesses. In other words, as a result of discussions, a significant strength was converted to a strength, 1 strength was eliminated, only 3 significant weaknesses were eliminated, and only 14 weaknesses were eliminated under this subfactor. The remaining significant weaknesses under the management approach subfactor included: (1) an inadequate staffing plan and an inadequate skill mix, and (2) incomplete/inaccurate job descriptions/qualifications for many positions.

With respect to the safety, health, and environmental subfactor under mission suitability, Cortez provided a reasonably sound response without any deficiencies. While the quotation contained weaknesses, as a whole, the weaknesses that were not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of “good” (representing an improvement in the adjective rating). Under safety, health, and environmental, the quotation received no significant strengths, no strengths, no significant weakness, and 2 weaknesses. In other words, as a result of discussions, the significant weakness was eliminated and only 3 weaknesses were eliminated under this subfactor.

With respect to the small disadvantaged business subfactor under mission suitability, Cortez provided a reasonably sound response without any deficiencies. Thus, the quotation received an adjective rating of “good” (representing no change in the adjective rating). Under small disadvantaged business, the quotation received no significant strengths, 1 strength, no significant weaknesses, and no weaknesses. In other words, as a result of discussions, all weaknesses were eliminated under this subfactor.

Under the price factor, in the final quotation, Cortez proposed a price of \$93.6 million for both the FFP effort and the IDIQ effort. Since numerous concerns and discrepancies were satisfactorily addressed as a result of discussions, a price confidence rating of “high” was assigned to this final quotation.

Under the past performance factor, the evaluation of Cortez’s relevant past performance did not change as a result of discussions. Thus, Cortez retained the adjective rating of “good.”

EG&G

Under the mission suitability factor, the final quotation from EG&G demonstrated overall competence without any deficiencies. The quotation contained several significant strengths and the strengths outbalanced the weaknesses. Thus, the quotation again received an adjective rating of “very good.” Under mission suitability, the quotation received 7 significant strengths, 32 strengths, no significant weaknesses, and 2 weaknesses.

With respect to the technical approach subfactor under mission suitability, EG&G provided a comprehensive and thorough quotation of exceptional merit with several significant strengths and without any deficiencies or significant weaknesses. Thus, the quotation received an adjective rating of “excellent” (representing an improvement over the initial quotation). Under technical approach, the quotation received 3 significant strengths, 13 strengths, no significant weaknesses, and 1 weakness. In other words, as a result of discussions, 16 weaknesses were eliminated under this subfactor.

With respect to the management approach subfactor under mission suitability, EG&G provided a comprehensive and thorough quotation of exceptional merit with several significant strengths and without any deficiencies or significant weaknesses. Thus, the quotation received an adjective rating of “excellent” (representing an improvement over the initial quotation). Under management approach, the quotation received 4 significant strengths, 13 strengths, no significant weaknesses, and 1 weakness. In other words, as a result of discussions, 5 weaknesses were eliminated under this subfactor.

With respect to the safety, health, and environmental subfactor under mission suitability, EG&G provided a reasonably sound response without any deficiencies. While the quotation contained both strengths and weaknesses, as a whole, the weaknesses that were not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of “good” (representing no change over the initial quotation). Under safety, health, and environmental, the quotation received no significant strengths, 3 strength, no significant weaknesses, and no weaknesses. In other words, as a result of discussions, all weaknesses were eliminated under this subfactor.

With respect to the small disadvantaged business subfactor under mission suitability, EG&G provided a reasonably sound response without any deficiencies. While the quotation contained both strengths and weaknesses, as a whole, the weaknesses that were

not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of “good” (representing no change over the initial quotation). Under small disadvantaged business, the quotation received no significant strengths, 3 strengths, no significant weaknesses, and no weaknesses. In other words, as a result of discussions, all weaknesses were eliminated under this subfactor.

Under the price factor, in the final quotation, EG&G proposed a price of \$81.4 million for both the FFP effort and the IDIQ effort. Notwithstanding some minor discrepancies that still remained after discussions, a price confidence rating of “high” was assigned to this final quotation.

Under the past performance factor, the evaluation of EG&G’s relevant past performance did not change as a result of discussions. Thus, EG&G retained the adjective rating of “very good.”

V. Decision

Immediately following the ET's presentation on March 21, 2003, I met in executive session with key senior advisors who had heard the presentation. Their views and guidance were solicited. With respect to the process and findings, we concluded that the evaluation plan was followed and that the findings were well documented. We noted that the discussion process was well utilized and that the quoters, which were finalists, were able to eliminate many, if not most, of their weaknesses under mission suitability. Both Cortez and EG&G increased their mission suitability scores through the discussion process. However, the past performance adjective rating for two quoters did not change.

Overall, EG&G had a decisive advantage. Compared to Cortez, EG&G received a higher adjective rating and score under the mission suitability factor, EG&G submitted a lower quotation under the price factor, and EG&G received a higher adjective rating under the past performance factor.

Under the mission suitability factor, EG&G received an overall adjective rating of “very good” and Cortez received an overall adjective rating of “good.” With respect to technical approach under mission suitability, EG&G received an overall adjective rating of “excellent” and Cortez received an overall adjective rating of “good.” In addition, EG&G’s significant strengths under the technical approach subfactor included an excellent approach to reliability centered maintenance and an excellent approach to retail store operations. With respect to management approach under mission suitability, EG&G received an overall adjective rating of “excellent” and Cortez received an overall adjective rating of “very good.” Furthermore, EG&G’s significant strengths under the management approach subfactor included a staffing and skill mix that was appropriately divided between the FFP effort and the IDIQ effort, clear communication channels for subcontractors, and clearly identified roles for management and supervisors. Together, the technical approach subfactor and the management approach subfactor accounted for 85% of the maximum available numerical score (i.e., 1000) under mission suitability. While

both EG&G and Cortez received similar adjective ratings under the safety, health, and environmental subfactor (i.e., "good") and similar adjective ratings under the small disadvantaged business subfactor, EG&G received higher numerical scores under both subfactors. EG&G also received the most significant strengths and submitted a well-balanced quotation overall with several significant strengths across both of the major subfactors (i.e., technical approach and management approach) under mission suitability. Also, a quotation received after discussions rarely contains weaknesses because the discussion process is designed to eliminate all weaknesses. However, in this case, while neither quoter was able to eliminate all weaknesses, the final quotation from Cortez contained 17 weaknesses and the final quotation from EG&G contained only 2 weaknesses. Thus, EG&G had a decisive advantage over Cortez in mission suitability.

Under the price factor, while both quotations received a "high" rating in price confidence, the quotation from EG&G was approximately \$12 million lower than the quotation from Cortez. In other words, the quotation from Cortez was approximately 15 percent above the quotation from EG&G. A primary reason behind the price differential stemmed from the fact that Cortez quoted a profit rate that was almost double the profit rate quoted by EG&G. Thus, EG&G had a decisive advantage over Cortez in price.

We next considered the past performance factor. We noted that the ET rated EG&G as "very good" and Cortez as "good." We agreed with these assessments and upon review of the underlying supporting data we determined that EG&G had an advantage over Cortez. The primary distinguishing attribute for EG&G was that they had more directly related FFP experience with stronger performance records. Thus, EG&G had a decisive advantage over Cortez in past performance.

After polling all my advisors and receiving their inputs, I concluded that EG&G provided the best value and greatest advantage to the Government based on their advantage in all three factors: mission suitability, price, and past performance. Consequently, I selected EG&G for award of the Logistics Services order.


A. G. Stephenson
Source Selection Authority

3/25/03
Date

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The significant strengths under the management approach subfactor included: (1) an integrated team management approach that would allow timely action and attention to personnel issues and that would provide total autonomy to the program manager, and (2) a transportation manager with extensive government-related logistics experience.

The significant weaknesses under the management approach subfactor included: (1) an inadequate staffing plan and an inadequate skill mix, (2) an inadequate discussion relating to the MSFC values and value tradeoffs, (3) a failure to adequately demonstrate an understanding of the IDIQ portion of the proposed effort, (4) a failure to submit job descriptions/qualifications for numerous positions, and (5) incomplete/inaccurate job descriptions/qualifications for many positions.

With respect to the safety, health, and environmental subfactor under mission suitability, Cortez provided a quotation with several weaknesses and no strengths. As a result, the quotation received an adjective rating of "fair." Under safety, health, and environmental, the quotation received no significant strengths, no strengths, 1 significant weakness, and 5 weaknesses.

The significant weakness under the safety, health, and environmental subfactor was that Cortez failed to adequately demonstrate an understanding of the risk assessment and the mitigation of risks associated with the proposed Safety and Health Plan.

With respect to the small disadvantaged business subfactor under mission suitability, Cortez provided a reasonably sound response without any deficiencies. While the quotation contained both a strength and weaknesses, as a whole, the weaknesses that were not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of "good." Under small disadvantaged business, the quotation received no significant strengths, 1 strength, no significant weaknesses, and 2 weaknesses.

Under the price factor, Cortez proposed a price of \$89.7 million for both the FFP effort and the IDIQ effort. However, in light of numerous concerns/discrepancies relating to the quoted price, a price confidence rating of "low" was assigned to this quote.

Under the past performance factor, an evaluation of Cortez's relevant past performance indicated that Cortez could reasonably be expected to perform satisfactorily. Thus, Cortez received an adjective rating of "good." Under past performance, Cortez received no significant strengths, 4 strengths, no significant weaknesses, and 3 weaknesses.

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The significant strengths under the technical approach subfactor included: (1) an excellent explanation and approach to reliability centered maintenance, (2) an excellent understanding of retail store operations, and (3) a company certification relating to ISO 9000 and a quality control plan that addressed ISO 9001:2000 requirements.

With respect to the management approach subfactor under mission suitability, EG&G provided a quotation that demonstrated overall competence without any deficiencies. The quotation contained several significant strengths and the strengths outbalanced the weaknesses. Thus, the quotation received an adjective rating of "very good." Under management approach, the quotation received 4 significant strengths, 13 strengths, no significant weaknesses, and 6 weaknesses.

The significant strengths under the management approach subfactor included: (1) a clear distinction between the FFP effort and the IDIQ effort relating to staffing and skill mix, (2) clear reporting channels between each subcontractor and the corresponding branch/section supervisor, (3) a clear and concise role for management/supervisors relating to the planning, directing, and controlling of work under the performance work statement, and (4) excellent values and discussion of their correlation to MSFC values.

With respect to the safety, health, and environmental subfactor under mission suitability, EG&G provided a reasonably sound response without any deficiencies. While the quotation contained both strengths and weaknesses, as a whole, the weaknesses that were

not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of "good." Under safety, health, and environmental, the quotation received no significant strengths, 3 strengths, no significant weaknesses, and 2 weaknesses.

With respect to the small disadvantaged business subfactor under mission suitability, EG&G provided a reasonably sound response without any deficiencies. While the quotation contained both strengths and weaknesses, as a whole, the weaknesses that were not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of "good." Under small disadvantaged business, the quotation received no significant strengths, 3 strengths, no significant weaknesses, and 2 weaknesses.

Under the price factor, EG&G proposed a price of \$95.6 million for both the FFP effort and the IDIQ effort. In addition, in light of few concerns/discrepancies relating to the quoted price, a price confidence rating of "high" was assigned to this quote.

Under the past performance factor, an evaluation of EG&G's relevant past performance indicated that EG&G is very competent and well suited to perform the effort as evidenced by several significant strengths. In addition, the strengths outbalanced any weaknesses. Thus, EG&G received an adjective rating of "very good." Under past performance, EG&G received 3 significant strengths, 7 strengths, no significant weaknesses, and 1 weakness.

The significant strengths under the past performance factor included: (1) significant and excellent performance with FFP, IDIQ, and time-and-materials contracts, (2) a world-class safety record (e.g., 2.6 million accident-free labor hours at MSFC), and (3) experience relating to the operation of a retail store coupled with the selection of Alabama Industries for the Blind and a teaming partner to operate the retail store.

LESCO

Under the mission suitability factor, the initial quotation from LESCO contained numerous weaknesses without any deficiencies and the weaknesses outbalanced the strengths. Thus, the quotation received an adjective rating of "fair." Under mission suitability, the quotation received no significant strengths, 10 strengths, 16 significant weaknesses, and 42 weaknesses.

With respect to the technical approach subfactor under mission suitability, LESCO provided a quotation with numerous significant weaknesses that would require a major quotation revision to address. Thus, the quotation received an adjective rating of "poor." Under technical approach, the quotation received no significant strengths, 4 strengths, 7 significant weaknesses, and 28 weaknesses.

The significant weaknesses under the technical approach subfactor included: (1) a failure to demonstrate an adequate understanding of the work requirements and a failure to

provide an adequate approach for the required services, (2) a failure to adequately address system use and work flow in connection with the work control system, (3) a failure to adequately address motor pool maintenance and repair in connection with reliability centered maintenance, (4) a failure to adequately address services required for the hazardous waste storage facility (HWSF), (5) a failure to adequately meet the performance work statement (PWS) requirements relating to food services, (6) a failure to properly quote the furniture screening function as part of the FFP effort as required by the solicitation, and (7) a failure to adequately address/resolve identified risks in connection with mail services, equipment maintenance and repair, motor pool services, property services, and move services.

With respect to the management approach subfactor under mission suitability, LESCO provided a quotation with several weaknesses and several strengths and the weaknesses outbalanced the strengths. Thus, the quotation received an adjective rating of "fair." Under management approach, the quotation received no significant strengths, 4 strengths, 7 significant weakness, and 11 weaknesses.

The significant weaknesses under the management approach subfactor included: (1) an inadequate discussion relating to the MSFC values and value tradeoffs, (2) limited authority in the program manager, (3) inappropriate staffing that resulted in both excessive staffing in some cases and deficient staffing in other cases, (4) a failure to adequately indicate staffing that will be used for the IDIQ work effort, (5) a failure to adequately demonstrate compliance with the requirement of the Service Contract Act, (6) a work control effort that was not adequately organized to be effective with all work functions, and (7) a failure to provide an adequate risk assessment.

With respect to the safety, health, and environmental subfactor under mission suitability, LESCO provided a quotation with weaknesses and strengths and the weaknesses outbalanced the strengths. Thus, the quotation received an adjective rating of "fair." Under safety, health, and environmental, the quotation received no significant strengths, 2 strengths, 2 significant weakness, and 2 weaknesses.

The significant weaknesses under safety, health, and environmental subfactor included: (1) a draft Safety and Health Plan that did not adequately address the minimum requirements and (2) a failure to adequately demonstrate an understanding of the requested risk assessment associated with the implementing the Safety and Health Plan.

With respect to the small disadvantaged business subfactor under mission suitability, LESCO provided a quotation with a weakness and no strengths. As a result, the quotation received an adjective rating of "fair." Under small disadvantaged business, the quotation received no significant strengths, no strengths, no significant weaknesses, and 1 weakness.

Under the price factor, LESCO failed to provide all of the requested elements relating to price. Thus, LESCO's proposed price could not be determined. As a result, a price confidence rating of "low" was assigned to this quote.

Under the past performance factor, an evaluation of LESCO's relevant past performance indicated that LESCO could reasonably be expected to perform satisfactorily. Thus, LESCO received an adjective rating of "good." Under past performance, LESCO received no significant strengths, 4 strengths, no significant weaknesses, and 4 weaknesses.

III. Determination of Finalists

Based on these findings, I established Cortez and EG&G as the finalists. LESCO was not determined to be a finalist because it did not have a reasonable chance of being selected for award. LESCO received an adjective rating of "fair" under the mission suitability factor. While they received a few strengths in mission suitability, they also received numerous weaknesses. Under the past performance factor, LESCO received an adjective rating of "good." LESCO's mission suitability rating was lower than those firms determined to be finalists and their past performance factor rating was equal to or less than the other two quotations. Also, LESCO's proposed price was incomplete.

On January 22, 2003, the two finalists were notified of their status. On January 24, 2003, Cortez and EG&G were requested to provide a written response to specific weaknesses and clarification issues identified during the evaluation of their quotations. The letters established a due date for the receipt of all written responses. Accordingly, February 5, 2003, was scheduled as the date for oral discussions with Cortez and February 7, 2003, was scheduled for EG&G. On February 8, 2003, Cortez and EG&G were advised that discussions were completed and the due date for receipt of final quotation revisions was February 18, 2003. Final quotations were received on this date and were subsequently evaluated consistent with the criteria identified in the RFQ.

IV. Evaluation of Final Quotation Revisions

As a result of the discussion process and the final quotation revisions (FQRs), EG&G was able to eliminate the overwhelming majority of their mission suitability weaknesses and Cortez was able to eliminate the majority of their mission suitability weaknesses. Cortez ended the discussions early after first acknowledging that they understood the remaining weaknesses and concerns. Both companies raised their numeric mission suitability scores and both companies retained their adjective rating in past performance. The revised prices were compared to the IGCE. The final evaluation results of the FQRs are summarized below.

Cortez

Under the mission suitability factor, the final quotation from Cortez demonstrated a reasonably sound response without any deficiencies. While the quotation contained both

strengths and weaknesses, as a whole, the weaknesses that were not offset by strengths did not significantly detract from the quotation. Thus, the quotation again received an adjective rating of “good.” Under mission suitability, the quotation received 1 significant strength, 14 strengths, 2 significant weaknesses, and 21 weaknesses.

With respect to the technical approach subfactor under mission suitability, Cortez provided a reasonably sound response without any deficiencies. While the quotation contained both strengths and weaknesses, as a whole, the weaknesses that were not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of “good” (representing an improvement over the initial quotation). Under technical approach, the quotation received no significant strengths, 8 strengths, no significant weaknesses, and 13 weaknesses. In other words, as a result of discussions, all significant weaknesses were eliminated and only 17 weaknesses were eliminated under this subfactor.

With respect to the management approach subfactor under mission suitability, Cortez provided a quotation that demonstrated overall competence without any deficiencies. The quotation contained a significant strength and the strengths outbalanced the weaknesses. Thus, the quotation received an adjective rating of “very good” (representing an improvement over the initial quotation). Under management approach, the quotation received 1 significant strength, 5 strengths, 2 significant weaknesses, and 6 weaknesses. In other words, as a result of discussions, a significant strength was converted to a strength, 1 strength was eliminated, only 3 significant weaknesses were eliminated, and only 14 weaknesses were eliminated under this subfactor. The remaining significant weaknesses under the management approach subfactor included: (1) an inadequate staffing plan and an inadequate skill mix, and (2) incomplete/inaccurate job descriptions/qualifications for many positions.

With respect to the safety, health, and environmental subfactor under mission suitability, Cortez provided a reasonably sound response without any deficiencies. While the quotation contained weaknesses, as a whole, the weaknesses that were not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of “good” (representing an improvement in the adjective rating). Under safety, health, and environmental, the quotation received no significant strengths, no strengths, no significant weakness, and 2 weaknesses. In other words, as a result of discussions, the significant weakness was eliminated and only 3 weaknesses were eliminated under this subfactor.

With respect to the small disadvantaged business subfactor under mission suitability, Cortez provided a reasonably sound response without any deficiencies. Thus, the quotation received an adjective rating of “good” (representing no change in the adjective rating). Under small disadvantaged business, the quotation received no significant strengths, 1 strength, no significant weaknesses, and no weaknesses. In other words, as a result of discussions, all weaknesses were eliminated under this subfactor.

Under the price factor, in the final quotation, Cortez proposed a price of \$93.6 million for both the FFP effort and the IDIQ effort. Since numerous concerns and discrepancies were satisfactorily addressed as a result of discussions, a price confidence rating of “high” was assigned to this final quotation.

Under the past performance factor, the evaluation of Cortez’s relevant past performance did not change as a result of discussions. Thus, Cortez retained the adjective rating of “good.”

EG&G

Under the mission suitability factor, the final quotation from EG&G demonstrated overall competence without any deficiencies. The quotation contained several significant strengths and the strengths outbalanced the weaknesses. Thus, the quotation again received an adjective rating of “very good.” Under mission suitability, the quotation received 7 significant strengths, 32 strengths, no significant weaknesses, and 2 weaknesses.

With respect to the technical approach subfactor under mission suitability, EG&G provided a comprehensive and thorough quotation of exceptional merit with several significant strengths and without any deficiencies or significant weaknesses. Thus, the quotation received an adjective rating of “excellent” (representing an improvement over the initial quotation). Under technical approach, the quotation received 3 significant strengths, 13 strengths, no significant weaknesses, and 1 weakness. In other words, as a result of discussions, 16 weaknesses were eliminated under this subfactor.

With respect to the management approach subfactor under mission suitability, EG&G provided a comprehensive and thorough quotation of exceptional merit with several significant strengths and without any deficiencies or significant weaknesses. Thus, the quotation received an adjective rating of “excellent” (representing an improvement over the initial quotation). Under management approach, the quotation received 4 significant strengths, 13 strengths, no significant weaknesses, and 1 weakness. In other words, as a result of discussions, 5 weaknesses were eliminated under this subfactor.

With respect to the safety, health, and environmental subfactor under mission suitability, EG&G provided a reasonably sound response without any deficiencies. While the quotation contained both strengths and weaknesses, as a whole, the weaknesses that were not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of “good” (representing no change over the initial quotation). Under safety, health, and environmental, the quotation received no significant strengths, 3 strength, no significant weaknesses, and no weaknesses. In other words, as a result of discussions, all weaknesses were eliminated under this subfactor.

With respect to the small disadvantaged business subfactor under mission suitability, EG&G provided a reasonably sound response without any deficiencies. While the quotation contained both strengths and weaknesses, as a whole, the weaknesses that were

not offset by strengths did not significantly detract from the quotation. Thus, the quotation received an adjective rating of “good” (representing no change over the initial quotation). Under small disadvantaged business, the quotation received no significant strengths, 3 strengths, no significant weaknesses, and no weaknesses. In other words, as a result of discussions, all weaknesses were eliminated under this subfactor.

Under the price factor, in the final quotation, EG&G proposed a price of \$81.4 million for both the FFP effort and the IDIQ effort. Notwithstanding some minor discrepancies that still remained after discussions, a price confidence rating of “high” was assigned to this final quotation.

Under the past performance factor, the evaluation of EG&G’s relevant past performance did not change as a result of discussions. Thus, EG&G retained the adjective rating of “very good.”

V. Decision

Immediately following the ET's presentation on March 21, 2003, I met in executive session with key senior advisors who had heard the presentation. Their views and guidance were solicited. With respect to the process and findings, we concluded that the evaluation plan was followed and that the findings were well documented. We noted that the discussion process was well utilized and that the quoters, which were finalists, were able to eliminate many, if not most, of their weaknesses under mission suitability. Both Cortez and EG&G increased their mission suitability scores through the discussion process. However, the past performance adjective rating for two quoters did not change.

Overall, EG&G had a decisive advantage. Compared to Cortez, EG&G received a higher adjective rating and score under the mission suitability factor, EG&G submitted a lower quotation under the price factor, and EG&G received a higher adjective rating under the past performance factor.

Under the mission suitability factor, EG&G received an overall adjective rating of “very good” and Cortez received an overall adjective rating of “good.” With respect to technical approach under mission suitability, EG&G received an overall adjective rating of “excellent” and Cortez received an overall adjective rating of “good.” In addition, EG&G’s significant strengths under the technical approach subfactor included an excellent approach to reliability centered maintenance and an excellent approach to retail store operations. With respect to management approach under mission suitability, EG&G received an overall adjective rating of “excellent” and Cortez received an overall adjective rating of “very good.” Furthermore, EG&G’s significant strengths under the management approach subfactor included a staffing and skill mix that was appropriately divided between the FFP effort and the IDIQ effort, clear communication channels for subcontractors, and clearly identified roles for management and supervisors. Together, the technical approach subfactor and the management approach subfactor accounted for 85% of the maximum available numerical score (i.e., 1000) under mission suitability. While

both EG&G and Cortez received similar adjective ratings under the safety, health, and environmental subfactor (i.e., "good") and similar adjective ratings under the small disadvantaged business subfactor, EG&G received higher numerical scores under both subfactors. EG&G also received the most significant strengths and submitted a well-balanced quotation overall with several significant strengths across both of the major subfactors (i.e., technical approach and management approach) under mission suitability. Also, a quotation received after discussions rarely contains weaknesses because the discussion process is designed to eliminate all weaknesses. However, in this case, while neither quoter was able to eliminate all weaknesses, the final quotation from Cortez contained 17 weaknesses and the final quotation from EG&G contained only 2 weaknesses. Thus, EG&G had a decisive advantage over Cortez in mission suitability.

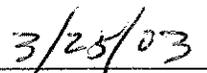
Under the price factor, while both quotations received a "high" rating in price confidence, the quotation from EG&G was approximately \$12 million lower than the quotation from Cortez. In other words, the quotation from Cortez was approximately 15 percent above the quotation from EG&G. A primary reason behind the price differential stemmed from the fact that Cortez quoted a profit rate that was almost double the profit rate quoted by EG&G. Thus, EG&G had a decisive advantage over Cortez in price.

We next considered the past performance factor. We noted that the ET rated EG&G as "very good" and Cortez as "good." We agreed with these assessments and upon review of the underlying supporting data we determined that EG&G had an advantage over Cortez. The primary distinguishing attribute for EG&G was that they had more directly related FFP experience with stronger performance records. Thus, EG&G had a decisive advantage over Cortez in past performance.

After polling all my advisors and receiving their inputs, I concluded that EG&G provided the best value and greatest advantage to the Government based on their advantage in all three factors: mission suitability, price, and past performance. Consequently, I selected EG&G for award of the Logistics Services order.



A. G. Stephenson
Source Selection Authority



Date