

**Selection Statement for the
Engineering, Science and Technical Services (ESTS) Contract**

Request for Proposal (RFP) No. NNM0500ESTSR

On August 5, 2005, I, along with other senior officials of the Marshall Space Flight Center (MSFC), met with the Source Evaluation Board (SEB) appointed to evaluate proposals in connection with the Engineering, Science and Technical Services (ESTS) acquisition.

I. PROCUREMENT DESCRIPTION

On February 9, 2005, I appointed members of the SEB which included representation from the Engineering Directorate, the Science and Technology Directorate, the Space Transportation Programs/Projects Office, Safety and Mission Assurance Directorate, and the Office of Procurement. Advisors with specific subject matter expertise were also appointed to support the SEB. The SEB appointed evaluators with expertise in appropriate disciplines who were assigned to the Technical Committee or the Business Committee to support the SEB by providing assessments of proposal strengths and weaknesses. The SEB utilized this information in conjunction with the predetermined evaluation factors and subfactors in formulating its assessment of the strengths and weaknesses for each offeror.

The Request for Proposals (RFP) was issued on May 3, 2005. The RFP required offerors to provide proposals to provide Engineering, Science, and Technical Services utilizing a performance-based contract requiring engineers, scientists, propulsion experts, nuclear power and nuclear propulsion system experts, technicians, program/project management support specialists and business analysts in support of the National Aeronautics and Space Administration (NASA)/George C. Marshall Space Flight Center (MSFC), AL and NASA Headquarters, Washington, DC. The awarded contract will be a cost reimbursable Indefinite Delivery-Indefinite Quantity (IDIQ) contract which will recognize successful performance through both Performance and Award fees. The period of performance will consist of one base year and four option years.

Two amendments were issued to the RFP:

Amendment No. 1 was issued on May 18, 2005, and answered questions received from industry regarding the RFP and made clarifying revisions to the RFP.

Amendment No. 2 issued on June 6, 2005, incorporated an updated US Department of Labor Wage Determination dated May 23, 2005.

This procurement was conducted in accordance with Federal Acquisition Regulation (FAR) Part 15 and NASA FAR Supplement Part 1815 using full and open competition. Forty-three firms expressed an interest in this procurement. Thirty-one firms attended the pre-proposal conference at MSFC on April 8, 2005.

On June 20, 2005, proposals were received from the following companies:

Jacobs Sverdrup
Sverdrup Technology, Inc.
600 William Northern Blvd.
PO Box 884
Tullahoma, TN 37388-4729

Science Applications International Corporation
6725 Odyssey Drive
Huntsville, AL 35806-3301

II. EVALUATION PROCEDURES

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

First – An initial evaluation was performed to determine if all information had been provided and that the Offeror had made a reasonable attempt to present an acceptable proposal. Neither offeror was determined to be unacceptable.

Second – The acceptable proposals were evaluated against the three evaluation factors contained in the RFP (i.e., mission suitability, past performance, and cost). Based on this evaluation, the Government had the option, depending on the specific circumstances, to utilize one of the following methods: (1) Make selection and award without discussions; or (2) after discussions with the offerors found to be within the competitive range, afford each Offeror an opportunity to revise its proposal, and then make selection.

Selection and award is in accordance with the evaluation factors set forth in Section M of the RFP. Therefore, this selection is based on the best combination of technical merit (i.e., Mission Suitability score), Past Performance and Cost. The evaluation is based on the premise that, if all proposals are of approximately equal merit with regard to Mission Suitability and Past Performance, award will be made to the Offeror with the lowest evaluated Cost. However, the Government will consider awarding to an Offeror with a higher Mission Suitability score and higher Past Performance rating if the higher Cost is commensurate with added value. Conversely, the Government will consider making award to an Offeror whose proposal has a lower Mission Suitability score and a lower Past Performance rating if the Cost differential between it and other proposals warrant doing so.

The RFP prescribed three evaluation factors considered essential in a proposal: Mission Suitability, Cost, and Past Performance. Offerors were advised that the three factors were essentially equal in importance. However, per FAR 15.304(e) offerors were informed

that all evaluation factors other than cost or price, when combined, were significantly more important than cost or price.

Mission Suitability: The proposals were analyzed for the excellence of the work to be performed. Mission Suitability consisted of four subfactors and received both an adjective rating and a numerical score:

- A. Management and Control (500 points)
- B. Staffing and Total Compensation Plan (350 points)
- C. Safety and Health (100 points)
- D. Small Disadvantaged Business (SDB) Participation (50)

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

Cost: The adequacy, reasonableness and realism of the proposed fully burdened labor rates and burdened other direct costs were evaluated for each Offeror (including any proposed teammates/major subcontractors). The total estimated cost and fees for the base period and all option periods, as computed using the Government's IDIQ Most Probable Cost Formula, were combined together, evaluated, and a most probable cost was reported to the Source Selection Authority (SSA). A confidence level assessment of the most probable cost of each offer was made and reported to the SSA.

Past Performance: The Offeror's overall corporate past performance, including the corporate past performance of any proposed teammate(s) and major subcontractor(s), (as opposed to that of proposed key personnel) on related commercial or Government contracts of comparable magnitude (dollar value or total staffing), type (cost-reimbursement or IDIQ), and scope (engineering, science, technical or business services in an aerospace environment) was considered. The offeror's Lost Time Injury Rate (LTIR) was evaluated. This factor was not numerically scored but was evaluated and reported to the Source Selection Authority for consideration in making the selection. The applicable adjective ratings were "Excellent," "Very Good," "Good," "Fair," and "Poor" as set forth in the Evaluation Plan.

III. EVALUATION OF PROPOSALS

All proposals received were determined to be acceptable and were evaluated consistent with the criteria identified in the RFP. The findings of the Source Evaluation Board were presented to me, the Source Selection Authority (SSA), on August 5, 2005. The evaluation results of the proposals are summarized below.

Jacobs Sverdrup (JS)

In the Mission Suitability factor, this proposal did not have any deficiencies or significant weaknesses. This proposal received an adjective rating of Excellent in Mission Suitability. Under the Management and Control subfactor, this proposal received an adjective rating of Excellent. JS received four significant strengths, thirteen strengths, and one weakness. These findings, as summarized, include the following:

Significant Strengths: 4

JS demonstrates a forward thinking management approach and clear customer focus through 19 proposed initiatives, mostly funded through corporate resources, including Systems Engineering Excellence, Communities of Practice, Engineering Tools Register, Expert Level Problem Resolution, and the MSFC Scholarship Intern Program.

JS proposes an enhanced Automated Task Management System (ATMS) with versions already operating at five NASA centers. JS's enhanced ATMS includes an estimating tool, a labor distribution report, 508 compliance and 533 detail, which will be available at contract inception. The current ATMS effectively performs Task Order (TO) development, assignment, scheduling, monitoring and reporting functions.

JS proposes an effective and efficient teaming approach that features seven teammates (six small businesses and one large business) with clearly defined PWS responsibilities that are implemented through an Integrated Team Management Approach (ITMA) that enables the teammates to perform as a single well-integrated entity to readily match their respective strengths, individually and/or collectively, with the corresponding customer needs. This base team is augmented by two groupings of resources consisting of universities and companies that are available via memoranda of agreement to provide propulsion expertise and other specialty/niche services on short notice for periods of varying duration.

JS's excellent description of their proposed work processing plan indicates a very logical and detailed process that thoroughly addresses all requirements, supports full-cost reporting, and demonstrates a thorough understanding of the requirement.

Strengths: 13

JS proposes a well-defined organization that is sensitive to the needs of the NASA MSFC in ensuring one-to-one interfaces to the lower WBS levels and provides further visibility into their organization. JS's organization is noteworthy due to its emphasis on technology enhancement and human resources. A special office, the Chief Technologist Office comprised of Technical Fellows, is proposed to offer disciplined cross-cutting capabilities.

JS's general manager reports directly to the president of the parent corporation and Jacobs Sverdrup ESTS Group is an autonomous unit with full authority for all aspects of

contract performance thereby enabling excellent responsiveness to MSFC's needs. Additionally, relationships between Jacobs Sverdrup ESTS Group and the parent corporation are clearly delineated and decisions not relevant to the ESTS contract are reserved for the parent corporation.

JS provides for a clear and manageable mitigation plan to safeguard against potential conflict of interest (COI) for each Task Order. JS and its teammates are service only companies and have no development, production or integration contracts that would result in COI. JS selected teammates who are inherently COI free and have made commitments to not pursue contracts with NASA that would cause the potential for COI.

JS demonstrates an innovative approach in proposing the Office of the Chief Technologist for advancing State of the Art Technologies. Additionally, JS proposes to provide investment funding for events, meetings and educational activities to monitor and advance state of the art technologies and leverage successful technology transfer experience in future customer activities.

JS provides a plan to develop additional communication capabilities as well as technical skill enhancement for MSFC personnel using special initiatives such as their corporate College Management Leadership Training and Marshall Industry Mentorship Program that provide effective knowledge transfer.

JS's approach to providing engineering tools is excellent in that it employs an engineering tools register for identifying validated tools, promotes tool sharing across NASA, includes annual reappraisal of tools in use and provision for additional tools, provides training in tool use, and offers corporate funding for new engineering tools at MSFC.

JS has established an exceptional communication plan to ensure clear and open communications with the task order initiators and other personnel. A specific innovative idea is the use of an 'Expectation Survey' for tailoring the communications with the TO initiator. Similarly, excellent procedures are provided for communicating the status of the activities at the directorate level with the COTR/CO.

JS provides product assurance processes and performance-based task planning which enables timely and responsive services and delivery of quality products, timely recognition of potential problems, as well as proactive avoidance and resolution of problems.

JS proposed teaming arrangements whereby the teammates are held to their overhead baseline and penalized for exceeding their baseline during contract execution through a decrease of the teammate's contract share. This adjustment to the contract share is intended to control the cost of the overall team composite rates.

JS's approach to export control is very proactive with the appointment of an export control staff for implementation of the ISO certified export control process that will

provide yearly refresher training on the NASA Export Control Program. In addition, all ESTS employees will receive annual training to ensure they remain cognizant of the latest export control requirements and associated procedures.

JS and teammates are certified to ISO9001 and ISO9001-2000. JS's ISO Certification covers the entire team and is consistent with the MSFC ISO Registration. JS's plan to develop procedures for becoming ISO AS9100 compliant by phase-in and achieve certification during the first year of the contract is exceptional.

JS embraces a set of core values that effectively reflects those of MSFC, thus encouraging a safe and motivated work force well aligned with the MSFC team.

JS demonstrates a thorough understanding of the requirement presented in Sample Task 2 based on the direct applicability of the JS's proposed analytical tools, and the well-informed approach to accomplishing each of the required sub-elements of the sample task.

Weaknesses: 1

JS did not ensure Product Assurance processes on: Sample Task 1 in that Travel is discussed in section 4.0 but is not included in Cost Form B; on Sample Task 1 and 3 where the organizations listed in the respective Sample Tasks differ from the organization presented on another page of the proposal and Sample Task 3 includes nuclear options when the requirement stated not to include nuclear.

Under the Staffing and Total Compensation Plan subfactor, this proposal received an adjective rating of Excellent. JS received nine significant strengths, eight strengths, and two weaknesses. These findings, as summarized, include the following:

Significant Strengths: 9

JS's proposal presents a plan for accommodating increasing workforce fluctuations that includes Mentor-Peers Program, cross-training program, recruiting of multi-disciplined personnel, Reserve Corps, corporate reachback, Specialty subcontractors, the Exploration Consortium, and integrated use of contract vacancy/look back. Additionally, the plan addresses decreasing workforce fluctuations with a process to review and address critical skills retention that includes the look ahead report and the at-risk list.

The proposed General Manager has over 15 years of experience managing technical aerospace organizations in both the corporate sector and NASA, an excellent performance record, excellent references, and excellent qualifications including status as an AIAA Associate Fellow, American Society of Quality Control (ASQC) certification as a Quality Engineer, and undergraduate degrees in both chemistry and business.

The proposed Deputy General Manager has over 8 years of experience managing engineering organizations in the aerospace corporate sector, several years of technical

experience as an engineer in the aerospace industry, an excellent performance record, excellent references, and excellent qualifications including both an undergraduate degree and a graduate degree in engineering as well as registration as a professional engineer.

The proposed Engineering Director has over 19 years of experience managing technical aerospace organizations in the corporate sector, an excellent performance record, excellent references, and very good qualifications including both an undergraduate degree and a graduate degree in mathematics.

The proposed Science and Technology Director has over 15 years of experience managing engineering and scientific and engineering organizations in the aerospace corporate sector, an excellent performance record, excellent references, and very good qualifications including BS, MS, and PhD degrees in engineering.

The proposed Programs and Projects Director has over 7 years of experience managing technical aerospace organizations for NASA, several years of aerospace engineering experience, nearly 11 years as an astronaut, an excellent performance record, excellent references, and excellent qualifications including BS, MS, and PhD degrees in engineering, status as an American Society of Mechanical Engineers Fellow, and registration as a professional engineer.

The proposed Human Resources Manager has over 20 years of experience in human resources management, an excellent performance record, excellent references, and excellent qualifications including an undergraduate degree in Education, a master's degree in Business Administration, and a law degree.

The proposed Business Manager has over 24 years of experience managing business activities, an excellent performance record, excellent references, and good qualifications including an undergraduate degree in Business Administration.

The proposed Safety and Quality Manager has over 18 years of experience managing safety programs, over 5 years managing quality programs, several years of experience as a safety engineer, an excellent performance record, excellent references, and excellent qualifications including a graduate degree in Industrial Safety.

Strengths: 8

JS proposed a Total Compensation Plan (TCP) that enables an integrated and cohesive compensation plan for all teammates that will provide equitable benefits for all employees. The TCP provides for the following: (1) supports the proposed ITMA; (2) offers competitive benefits to recruit and maintain workforce; (3) recognizes the seniority of incumbent personnel; (4) addresses portability of benefits including the waiver of pre-existing conditions for health insurance; and (5) motivates sustained superior performance.

JS's proposal contains a plan for utilizing corporate sources for persons having specialized engineering, science, and technical skills that are necessary to accomplish MSFC's tasks. JS has a very large pool across the US, encompassing a variety of skills, from JS employees who are currently working at seven NASA centers and various DOD facilities to provide special expertise on tasks as required. Additionally, four teammates are local and JS has in place a "Reserve Corps" that will be able to provide highly expert personnel at short notice.

Recruiting and provision of specialized skills from non-corporate resources is strong because the proposal offers diverse plans to ensure timely satisfaction of requirements for cultivation of traditional and non-traditional specialized skills, which include access to an Exploration Consortium, Specialty Subcontractor Portfolio, and external recruiting. The proposal identifies plans to implement specialized technical support and services in the area of nuclear power and propulsion.

JS provides a proven ISO certified phase-in process identifying schedule, potential risks and mitigations, key transition issues and resolutions, and an internal job fair to facilitate a smooth transition to the new contract.

JS's training and professional development program includes a wide variety of opportunities for career advancement including tuition reimbursement, MSFC Scholarship Intern Program, Leadership and Management Training, and the Marshall Industry Mentorship Program. A specific example includes the Offeror's intent to sponsor 12 internships per year (4 per semester – fall/spring/summer) awarding \$1,000 scholarships per stint.

JS has assembled skilled technical experts in several identified areas and sub-areas, thus providing flexible, on-demand support via consulting agreements and specialty subcontractors.

JS proposed a small business subcontracting plan that exceeds the established subcontracting goals.

JS has an established Mentor-Protégé relationship with two proposed small business subcontractors.

Weaknesses: 2

References provided by JS for the Space Transportation and Exploration Systems Director revealed a potential lack of sufficient depth of technical experience necessary to effectively direct the work anticipated for this segment of the ESTS contract. Additionally, the candidate for the position of Space Transportation and Exploration Systems Director provided a customer reference who stated that a reference could not be provided because the subject work had not yet been awarded.

The rationale for designating the Space Transportation and Exploration Systems Director as key personnel is unclear. JS's proposal provides for a potential overlap of responsibilities between this individual's role as Manager of the Exploration Consortium compared with the function performed by the Chair of the Exploration Consortium/Deputy Director of the Space Transportation and Exploration Systems Department.

Under the Safety, Health and Environmental subfactor, this proposal received an adjective rating of Excellent. JS received two significant strengths. These findings, as summarized, include the following:

Significant Strengths: 2

JS demonstrates an outstanding approach to employee safety and has a fulltime safety and quality manager. JS instituted an Employee Safety Committee and a Motivational Safety Program that rewards the workforce for positive safety habits. This is especially well demonstrated in the JS's response to the Sample Tasks which indicates attentiveness to safety along with willingness to implement a strong program.

JS demonstrates a strong commitment to MSFC Safety by expending corporate resources for the cost associated with providing a keynote speaker for each of the five years of the upcoming contract to support MSFC's annual Safety Day. Additionally, JS commits to develop/administer one new training program per year through the NASA Safety Training Center (NSTC) to supplement current NSTC courses at their cost.

Under the Small Disadvantaged Business Participation subfactor, this proposal received an adjective rating of Very Good. JS received one significant strength. This finding, as summarized, consists of the following:

Significant Strengths: 1

JS proposed a target of 20.2 percent for small disadvantaged business participation which exceeds than the required goal of 18 percent and all of the work assigned to the JS's ESTS SDB Teammates is deemed high technology.

In the Past Performance factor, JS received three significant strengths, six strengths resulting in an adjective rating of Excellent. The findings, as summarized, include the following:

Significant Strengths: 3

JS demonstrated exceptional past performance as evidenced by numerous prestigious organizational performance awards and industry wide recognition (such as 5 time winner of the NASA/MSFC Contractor Excellence Award; the NASA George M. Lowe Award; and winner of the Boeing Corporation's Supplier of the Year Award). In addition, JS and teammates received a large number of customer furnished individual employee awards.

JS developed and implemented extremely effective safety programs. Numerous past performance assessments cite award winning safety programs; commitment to safety; and exceptionally safe operations on contracts with comparable requirements. The past performance response includes recent safety statistics indicating 3.4M hours worked without a lost time accident and 1.7M hours with no OSHA incident for the ESTS contract.

JS and teammates demonstrated exceptional support on numerous contracts that are deemed highly relevant based on comparable magnitude, type and scope. All past performance assessments for the relevant contracts rated the overall performance of JS and teammates as excellent plus or excellent. Positive customer comments regarding superior performance on comparably sized space-related engineering services contracts were emphasized on customer assessments.

Strengths: 6

JS demonstrated an excellent capability of developing and using a variety of automated task management systems (ATMSs) on relevant contracts. The ATMSs that JS used effectively included work request tracking, task order tracking, data tracking, and technical, cost and schedule performance tracking. Numerous past performance assessments recognized JS's excellent use of the ATMSs to manage and control tasks.

JS demonstrated superior project management performance through use of autonomous business segments to manage comparable contracts thus providing full authority to the cognizant manager, multi-level communications, risk mitigation, excellent subcontract management, and exceptional phase-in effectiveness to adapt to a dynamic work environment with product deliveries on or ahead of schedule; being proactive in identifying and solving problems; all while performing in an exceptional manner.

JS demonstrated an exceptional ability to attract, recruit, hire, retain, and maintain a well-qualified, highly skilled workforce including the exact skill mix and technical expertise required. Several past performance assessments recognized JS's superior ability to retain management personnel and to provide professional training and cross training to ensure competent staffing.

JS's Lost Time Incident Rate (LTIR) 3-year average for all contracts is less than 50% of the Department of Labor (DOL) Bureau of Labor Statistics LTIR national average for NAICSs 541330, 336413, 541380, 541511, 541512, 541513, 541519 and 541611. The DOL weighted average is 0.544 compared to JS's reported average of 0. For NAICS 541710 (i.e. for one NAICS area only), JS's Lost Time Incident Rate (LTIR) 3-year average for all contracts is greater than the Department of Labor (DOL), Bureau of Labor Statistics LTIR national average plus 10%. The DOL average is 0.4 with the contractor average being 0.659.

JS demonstrated exceptional cost savings to the government by implementing cost saving initiatives to increase productivity and management efficiency, and applying systems management techniques on several contracts. JS and teammates effectively managed contract cost as evidenced by numerous past performance assessments that recognized cost savings.

JS met or exceeded established socio-economic goals for subcontracting with small business and small disadvantaged businesses. Additionally, JS implemented a superior Mentor Protégé Program with a Small Disadvantage Business teammate on a comparable contract.

The adequacy, reasonableness and realism of JS's proposed fully burdened labor rates and burdened other direct costs were evaluated (including proposed teammates/major subcontractors). Then, continuing with the evaluation of the Cost factor, JS's proposed fully burdened composite labor rates, other direct costs, indirect rates and fees were applied to NASA's "IDIQ Most Probable Cost Formula" (as published in the RFP). The SEB calculated the most probable cost to be \$218,500,000. The SEB then made an adjustment to this amount. The SEB corrected a formula error wherein JS had not appropriately applied the Segment Indirect Rate to Direct Labor costs. The adjusted most probable "cost of doing business" was determined to be \$221,300,000. JS's proposed phase-in costs, as identified separately from the most probable cost, were reported to the Source Selection Authority. Adjustments to the proposed phase-in costs were not made by the SEB; however, the overall adequacy and realism of the proposed phase-in costs were reported to the Source Selection Authority. The SEB determined that JS's most probable cost yielded a cost confidence of High.

Science Applications International Corporation (SAIC)

In the Mission Suitability factor, this proposal did not have any deficiencies or significant weaknesses. This proposal received an adjective rating of Very Good in Mission Suitability. Under the Management and Control subfactor, this proposal received an adjective rating of Very Good. SAIC received one significant strength, twelve strengths, and 3 weaknesses. These findings, as summarized, include the following:

Significant Strengths: 1

SAIC's work processing plan is exceptional in that it thoroughly addresses all major areas including receiving requirements, planning, processing, implementing, and tracking and is focused on providing timely and compliant response to task order requests. In addition, the plan is well integrated with SAIC's electronic system, provides for earned value metrics analysis for each task order, and provides a thorough closeout procedure that captures lessons learned for future use.

Strengths: 12

SAIC selected teammates, specialized preferred vendors (PVs) and Specialized Assignment Teams to match their unique capabilities with contract requirements. SAIC proposes assigning the right person in the right position regardless of corporate affiliation. The SAIC has pre-negotiated terms and rates with each teammate and PV to maximize responsiveness and flexibility.

SAIC's Program and Deputy Program Managers for the ESTS contract are fully and completely autonomous and have signature authority for a very high dollar value in direct contract costs. The Deputy Program Manager has the Program Manager's full local autonomy and authority during the Program Manager's absence.

SAIC proposes a Commercial Off The Shelf (COTS) ATMS system, royalty free and is adaptable to the Government's changing requirements. Desktop access to the system will be available to all users and will run equally well on both Apple and IBM based computers. Specific features include daily tracking of costs, tasks tracked by earned value metrics and posting over/under running tasks to "watch lists". The SAIC offers a \$200K investment of its corporate resources for implementation.

SAIC has established an exceptional communication plan, which interfaces with persons at corresponding group levels of the SAIC's team and MSFC directorates that is efficient, timely, and eliminates miscommunications.

Plans to mitigate Conflict Of Interest (COI) are strong because all members of the Team comply with robust avoidance procedures, such as pre-screening the current and emerging ESTS work for COI issues. COI issues will be reported within two days of discovery along with plans for mitigation.

SAIC's approach to providing engineering tools identification of State of the Art (SOA) technologies is exceptional in that it initially provides 119 tools, implements a Tools and Technology Working Group (TTWG) that meets monthly to identify tool needs, candidate tools and reviews SOA technologies, and invests corporate funds for tools.

SAIC's Product Assurance approach ensures timely delivery of quality services and products through training and mentoring Task Order Leads (TOLs), periodic audits of the Team, use of resolution-time thresholds to rapidly address problems, and inclusion of Product Assurance as an integral part of the ISO9000/AS9100 program.

SAIC's proposal exhibits a management approach that recognizes excellence in demonstrated performance, retains "corporate knowledge", promotes morale through a "one badge" policy and whose core values align with MSFC's core values.

SAIC's plan for cost control includes the proportional sharing of performance and award fees and the use of earned value management metrics to provide predictive information for controlling cost and schedule performance.

SAIC has a well-defined export control program led by an export representative who is active in the Society for International Affairs in addition to being trained by the U. S. Department of State, and Department of Commerce.

SAIC proposes to obtain registration to ISO9000:2000/AS9100 within 6 months of contract award.

SAIC demonstrates a thorough understanding of the requirement presented in Sample Task 3 based on the direct applicability of the SAIC's proposed analytical tools, and the well-informed approach to accomplishing each of the required sub-elements of the sample task.

Weaknesses: 3

The proposed Automated Task Management System (ATMS) exposes NASA to risks. The proposal ambiguously describes requirements to integrate an ATMS, a system of server hardware with Commercial Off the Shelf (COTS) software, within the MSFC IT environment. The proposal fails to adequately recognize NASA's requirements for IT security and management, or formulate a plan for compliance. Organization(s) to be responsible for the system's cost, integration, administration, and maintenance are insufficiently defined. Plans to prepare for or schedule an Operational Readiness Review (ORR) are absent. Plans to solve potential problems with the system after the 30 day phase-in are not evident.

SAIC has a weakness in defining a role for a Business Management Office (BMO) in the process description for work planning that does not describe the BMO function, its assigned resources, or its place in the organization structure.

SAIC's proposal has a weakness in identification of the Technical Area Export Representatives (TAXRs) with no additional description of their location or function within the organization.

Under the Staffing and Total Compensation Plan subfactor, this proposal received an adjective rating of Excellent. SAIC received seven significant strengths, eleven strengths, and one weakness. These findings, as summarized, include the following:

Significant Strengths: 7

SAIC proposed an efficient detailed approach to accommodate the varying workforce demands. SAIC's approach incorporated electronic tools and methodologies to address resource management and included the following examples for increasing and decreasing the workforce: (1) cross-utilization of personnel between contracts; (2) skill reallocations, (3) use of consultants and subcontractors; and (4) placement of staff in other teammate's programs.

SAIC's proposed Program Manager has over 14 years of experience managing technical aerospace organizations in both the corporate sector and NASA, an excellent performance record, excellent references, and excellent qualifications including a patent for work in a unique area of propulsion systems development, status as an AIAA Associate Fellow, and an undergraduate degree in chemistry and a doctorate in analytical chemistry.

The proposed Engineer Group Manager has over 40 years of experience managing technical aerospace organizations in the corporate sector and NASA, an excellent performance record exemplified by his impressive turnaround of the LM CSOC contract and excellent references.

The proposed Space Transportation Group Manager has over 18 years of management and technical experience in managing engineering organizations in the aerospace corporate sector and NASA, an excellent performance record, excellent references, and excellent qualifications including a BS in Mechanical Engineering and an MS degree in Industrial and Systems Engineering.

The proposed Space Systems Group Manager has over 20 years of experience in engineering, engineering lead and project management for aerospace organizations in the corporate sector and NASA, an excellent performance record, excellent references, and very good qualifications including a BS degree in industrial management and an MS in management.

The proposed Business Manager has over 20 years of experience managing major systems acquisition programs, an excellent performance record, excellent references, and excellent qualifications including a graduate degree in Business Administration and recipient of a professional certification as a Material Acquisition Manager, the Army's highest acquisition designation.

The proposed Product Assurance Manager has over 15 years of experience developing, implementing, and managing quality assurance processes, an excellent performance record, excellent references, and excellent qualifications including an undergraduate and doctorate degree in Mathematics.

Strengths: 11

SAIC proposed a total compensation strategy using combinations of base salary, variable pay components, fringe benefits, and other elements to effectively recruit and retain employees. This plan applies to all labor categories for both professional and non-professional staff. In addition, SAIC established a minimum threshold for each element of the compensation package that met or exceeded the current contract employee benefits.

SAIC and teammates offer an array of internal corporate resources that will be used to obtain specialized engineering, science, and technical skills in support of existing, urgent,

and specialized tasks. SAIC has a large local corporate presence to provide expertise as required. Additionally, SAIC has in place 150 corporate consultant agreements to provide highly expert personnel at short notice.

Timely recruitment and provision of specialized skills from non-corporate resources is strong because a special assignments team will have access to experienced experts that will perform special assignments and provide advisory support. These skilled, non-corporate employees will be recruited through establishment of a hiring bench of candidate employees, offers of an excellent salary and benefits plan, maintenance of interpersonal networks, and recruitment tools.

SAIC proposed to accomplish a structured and comprehensive phase-in within 30 days from contract authority to proceed. This will be accomplished with a Phase-In Team and a dedicated experienced Phase-In Manager. Potential risks and a comprehensive schedule have been identified to facilitate a smooth transition.

The proposed Science and Technology Group Manager has 4 years of management experience in managing engineering and scientific organizations in the aerospace corporate sector and NASA and over 12 years performing technical and administrative functions for engineering and scientific organizations in the aerospace corporate sector and NASA, an excellent performance record, excellent references, and excellent qualifications including BS and MS degrees in mathematics and participation in the MSFC loaned executive program.

The proposed Deputy Program Manager has over 15 years of experience as a very senior manager of technical and aerospace organizations in the aerospace corporate sector and NASA, a very good performance record, very good references, and very good qualifications including status as an AIAA Fellow and Technical Director.

The proposed Safety, Health and Environment Manager has over 6 years of experience managing aerospace safety programs and 12 years of experience in non-aerospace environments. He has a very good performance record and excellent references.

SAIC's training and professional development program includes a wide variety of opportunities for career advancement including tuition reimbursement, scholarships, training and conferences, and employee mentor/protégé program. A specific example includes SAIC's intent to award four undergraduate and one PhD scholarships per year. This example demonstrates a long-term commitment to growth of a highly skilled MSFC ESTS workforce.

SAIC has a strength since they have assembled skilled technical experts in numerous identified areas and sub-areas, thus providing flexible, on-demand support via consulting agreements and preferred vendors, and the candidates for In-Space and Nuclear Systems were especially strong and well suited for the anticipated work.

SAIC's approach to small business contracting is excellent in that it plans to exceed the small business goals, and uses established small businesses with well-established technical qualifications.

SAIC has an established Mentor-Protégé relationship with 1 proposed small business subcontractor.

Weaknesses: 1

The elevation of the Product Assurance Manager to a Key Personnel position is a duplication of the activities that the Group Managers and Team Leads will already be performing. The TO process establishes the reviews required by the TO initiator, Team Lead and Group Managers to ensure product quality.

Under the Safety, Health and Environmental subfactor, this proposal received an adjective rating of Very Good. SAIC received one significant strength and one weakness. These findings, as summarized, include the following:

Significant Strengths: 1

SAIC demonstrates an excellent approach to employee safety. SAIC has a fulltime safety manager and a Motivational Safety Program that rewards the workforce for positive safety habits.

Weaknesses: 1

SAIC has incorrectly indicated that Environmental Compliance is covered under MPR 1840.1 demonstrating that the SAIC is not thoroughly familiar with MSFC Environmental Engineering and Management Program.

Under the Small Disadvantaged Business Participation subfactor, this proposal received an adjective rating of Very Good. SAIC received one significant strength. This finding, as summarized, consists of the following:

Significant Strengths: 1

SAIC proposed a target of 28 percent for small disadvantaged business participation which is significantly higher than the required goal of 18 percent and proposes a full-time Small Business Advocate. Additionally, all of the work assigned to the SAIC's ESTS SDB Teammates is deemed high technology.

In the Past Performance factor, SAIC received three significant strengths, six strengths resulting in an adjective rating of Excellent. The findings, as summarized, include the following:

Significant Strengths: 3

SAIC has demonstrated superior project/program management including establishment of an autonomous contract environment; coordination, integration, and management of numerous teammates and subcontractors; and successful contract phase-in with transition of up to 1,000 incumbent employees. The SAIC was specifically recognized for innovative and effective management regarding security; export control; mitigation of potential conflicts of interest; and customer service and communications.

SAIC and teammates demonstrated superior support on several contracts that are deemed highly relevant based on comparable magnitude, type and scope. All past performance assessments for the relevant contracts rated the overall performance of SAIC and teammates as excellent plus or excellent. SAIC and teammates were specifically cited for management and technical innovations; extreme flexibility and responsiveness within dynamic work environments; implementation of a continual training program; and timely response to increased workload demands that required special technical experts.

SAIC's Lost Time Incident Rate (LTIR) 3-year average for all contracts of less than 50 percent of the Department of Labor (DOL) Bureau of Labor Statistics LTIR national average for NAICS 541330. The DOL average is 0.5 compared to the Offeror's reported average of 0. For NAICS 541710, the DOL average is 0.4 compared to the Offeror's reported average of 0.062.

Strengths: 6

SAIC and teammates demonstrated excellent performance as evidenced by several customer commendations including an exceptional rating for tasking satisfaction and awards for overall performance and safety. In addition, SAIC and teammates received numerous individual awards including personnel recently named as part of the In-Space Team that won a "One NASA" Award.

SAIC maintained cost control of task requirements for several contracts and implemented a cost control program that satisfied customer needs for managing and tracking costs and tasks. SAIC and teammates effectively managed contract cost as evidenced by several past performance assessments that recognized cost savings with one example cited where SAIC provided the cost savings back to the customer for re-appropriation.

SAIC developed several exceptional staffing programs to recruit, motivate, train, and maintain a highly skilled workforce including specialized, critical, and unique personnel. Several past performance assessments recognized SAIC's superior ability in retaining key management and incumbent personnel, and sustaining a highly skilled workforce.

SAIC developed and used various automated tracking systems to effectively share information across the contract team; manage task schedule and cost; invoice the

customer; and track personnel resources. Several of the past performance assessments commended SAIC's effective and efficient use of automated task management systems to manage and control tasks.

SAIC met or exceeded established socio-economic goals for subcontracting with small, small disadvantaged, and woman-owned small businesses. In addition, SAIC was recognized for subcontracting with qualified small businesses even when socio-economic goals were not included in the contract.

SAIC developed and implemented a successful safety, health, and environmental program and implemented safety plans to support contract performance.

The adequacy, reasonableness and realism of SAIC's proposed fully burdened labor rates and burdened other direct costs were evaluated (including proposed teammates/major subcontractors). Then, continuing with the evaluation of the Cost factor, SAIC's proposed fully burdened composite labor rates, other direct costs, indirect rates and fees were applied to NASA's "IDIQ Most Probable Cost Formula" (as published in the RFP). The SEB calculated the most probable cost to be \$245,200,000. The SEB then made an adjustment to this amount. The SEB increased certain teammate labor costs to account for appropriate Service Contract Act Wage Determination rates. The adjusted most probable "cost of doing business" was determined to be \$245,700,000. SAIC's proposed phase-in costs, as identified separately from the most probable cost, were reported to the Source Selection Authority. Adjustments to the proposed phase-in costs were not made by the SEB; however, the overall adequacy and realism of the proposed phase-in costs were reported to the Source Selection Authority. The SEB determined that SAIC's most probable cost yielded a cost confidence of High.

IV DECISION

Immediately following the SEB's presentation on August 5, 2005, I met in executive session with the key senior advisors who attended the presentation and were familiar with the RFP. These advisors included representatives from the Engineering Directorate, Office of Chief Counsel, Science and Technology Directorate, and the Office of Procurement. I solicited and considered their views in reaching my decision. With respect to the process and findings, we concluded that the evaluation plan was followed, and the evaluation of the proposals was comprehensive, thorough, and well-documented. We noted that during the presentation the SEB was well prepared and presented a clear analysis supporting their findings. When questioned, the SEB was able to give in-depth responses demonstrating a strong command of the information contained in the proposals.

As a preliminary matter, we noted that NASA received two very competitive and strong proposals. As reflected in the evaluations, these two firms, their proposed key personnel and teams are very capable and experienced.

I noted that while this was a close competition between the two Offerors, JS had an advantage in each factor. In Mission Suitability, JS received an overall adjective rating of Excellent while SAIC received a rating of Very Good. JS had a numerical score that was near the middle of the Excellent adjectival range. SAIC had a numerical score that was near the top of the Very Good adjectival range. The difference in numerical scores revealed that JS had an advantage in the Mission Suitability factor. It was my conclusion that this scoring differential was supported by the underlying findings with the overall strengths of JS outweighing those of SAIC. While both firms were rated as Excellent in Past Performance, the SEB stated that JS had an advantage in Past Performance. It was also noted that JS had an advantage in Cost for both the calculated most probable cost and the adjusted most probable cost.

We engaged in a discussion regarding whether to proceed directly to award or to enter into discussions with the Offerors. We noted that the RFP expressed NASA's intent to award without discussions and the Offerors were to submit their best, most realistic and competitive proposals. As noted earlier we had two strong and competitive proposals. Neither proposal had any significant weaknesses and neither had many weaknesses. It was very clear from the initial findings that both offerors fully understood the overall requirements of the RFP and could perform the contract without follow-on competitive range discussions. Consequently, we concluded that there was nothing to be gained by proceeding with discussions and we had sufficient data to make a reasoned selection. Therefore, we decided to make selection and award based on the initial proposals received.

In probing the SEB during its presentation and taking into consideration its evaluation of the proposals against the prescribed evaluation criteria contained in the RFP, I conclude that the successful Offeror is Jacobs Sverdrup. A more detailed statement of the rationale for my decision follows.

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

In the Management and Control subfactor, JS received an adjectival rating of Excellent while SAIC received a rating of Very Good. We noted that the Automated Task Management System (ATMS) proposed by JS produced a strong advantage for JS. This ATMS is an enhanced version of one already being used at five NASA field centers and therefore has a proven track record whereas it was noted that SAIC's ATMS had various vulnerabilities associated with it. This advantage for JS was a discriminator due to the nature of the work that will be performed under this contract. I also noted JS's unique pool of technical expertise available from numerous universities and corporations through Memoranda of Agreement. This arrangement is significant to NASA based upon the inherent safety issues involved with this work along with the rapidly evolving nature and complexity of the technical work performed at this Center.

In the Staffing and Total Compensation subfactor, both firms received an adjectival rating of Excellent. While the scores for this subfactor were very close, JS had a slightly higher score. As the SEB presented the total value and weights of their findings, they concluded that although the score for this area was very close, JS had a slight advantage.

In the Safety, Health and Environmental subfactor, JS received an adjectival rating of Excellent and SAIC received an adjectival rating of Very Good. JS's commitment to safety through having a fulltime safety and quality manager, rewarding the workforce for positive safety habits, funding a new safety training program each year, provision of a Safety Day keynote speaker, and their focus on safety issues throughout the proposed sample tasks was very noteworthy. Whereas SAIC has a fulltime safety manager and a motivational safety program for the workforce, its commitment to safety was not as pervasive as was seen in JS's proposal. I felt the difference between the two proposals was noteworthy because safety is a very visible concern to both NASA and the public at large and it is always a paramount concern for NASA.

Both firms received an adjectival rating of Very Good for the Small Disadvantaged Business (SDB) Participation subfactor. The scores for this subfactor were very close with a slight advantage for SAIC. I was impressed that both firms exceeded the SDB participation goals established for this acquisition. In addition, both firms proposed for their SDB team members to handle work in high technology areas.

It was noted that both firms had well-balanced proposals overall, with significant strengths across all of the Mission Suitability subfactors. Furthermore, I was cognizant that neither proposal was found to have any major weaknesses. Nonetheless, JS had an overall greater number of significant strengths and fewer overall weaknesses. And, as already noted, JS had a higher score in three of the four Mission Suitability subfactors. From all of the foregoing information, I concluded that JS had an advantage over SAIC in the Mission Suitability factor.

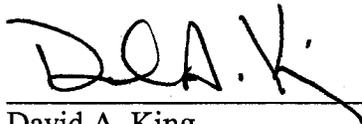
We next considered the Cost factor. JS's calculated most probable cost and their adjusted most probable cost were lower than SAIC's calculated most probable cost and their adjusted most probable cost. The SEB evaluated each Offerors' fully burdened composite labor rates, other direct costs, indirect rates and fees for each Offeror (including the proposed teammates/major subcontractors). A most probable cost and adjusted most probable "cost of doing business" were calculated for each Offeror using the IDIQ Most Probable Cost Formula and were presented to me. In addition, the SEB presented their findings of High confidence of the adjusted most probable cost for both Offerors. I probed the SEB's findings in the Cost factor and I, along with my advisors, agreed that this determination was reasonable and well supported. As a result, I determined that JS had an advantage in the Cost factor.

In the Past Performance factor, both firms received an adjectival rating of Excellent. However, a review of the Past Performance findings and the consensus of the SEB was that JS had an advantage in Past Performance. We noted that JS was a 5-time winner of

the NASA/MSFC Contractor Excellence Award, and a winner of NASA's George M. Lowe Award. We also noted that on the current Engineering, Science and Technical Services contract at MSFC, JS employees worked 3.4 million hours without a lost time accident. While SAIC also received numerous awards, in the overall picture, it was determined that JS held an advantage in the Past Performance factor.

Applying the evaluation factors to this selection, Mission Suitability and Cost are clear discriminators in favor of JS. JS received a higher overall adjectival rating of Excellent in Mission Suitability as compared to SAIC rating of Very Good. Also, JS's most probable cost and adjusted most probable cost were both lower than SAIC's. In Past Performance, while both firms were determined to be Excellent, the SEB stated that they determined that JS had an advantage in Past Performance. I, along with my team of senior advisors, concurred with this determination.

After polling all of my advisors and getting their inputs, I concluded that Jacobs Sverdrup provided the best value for the Government based on their advantage in the Mission Suitability factor along with their advantage in the Cost and Past Performance factors. Consequently, I select Jacobs Sverdrup for award of the Engineering, Science and Technical Services contract.



David A. King
Source Selection Authority

8-23-05

Date