

National Aeronautics and
Space Administration

John H. Glenn Research Center
Lewis Field
Cleveland, OH 44135-3191



SOURCE SELECTION STATEMENT

Test, Facility, Operations, Maintenance, and Engineering (TFOME)

Request for Proposal (RFP) 04-C4E-002

Procurement History

This procurement is to establish a contract for Test Facility Operations, Maintenance, and Engineering Services that supports the research facilities at the Glenn Research Center. The place of performance will be on-site at the NASA Glenn Research Center (GRC) at Lewis Field in Cleveland, Ohio, and at Plum-Brook Station (PBS) in Sandusky, Ohio. To accomplish this requirement, the Government will award a single Cost Plus-Award Fee/Award Term Contract. The contract will include a "core" period of performance of three years, a (2) two year option period, and five (5) one year award term periods. The maximum contract period of performance shall not extend ten (10) years.

A draft Request for Proposal (RFP) was issued on June 4, 2004, through the NASA Acquisition Internet Service (NAIS). The final RFP was posted via NAIS on June 30, 2004. No amendments to the RFP were issued. Two proposals were received and after initial review, considered acceptable. The proposal teams are indicated below:

- Diversitech, Inc. of Cincinnati, Ohio, teamed with QSS Group Inc. of Lanham, Maryland and AP Solutions, Inc., of Solon, Ohio
- Sierra Lobo, Inc. of Fremont, Ohio teamed with Jacobs Sverdrup of Tullahoma, Tennessee and Gilcrest Electric Company of Elyria, OH

The proposals were evaluated by the SEB in accordance with Federal Acquisition Regulation (FAR) 15.3 -- Source Selection, NASA FAR Supplement 1815.3 -- Source Selection, and the evaluation criteria included in the RFP. Offerors were notified in the solicitation that the Government intended to make an award without discussions.

The proposals were evaluated considering three factors: Mission Suitability, Past Performance, and Cost/ Price. Of the evaluation factors identified, Mission Suitability is considered somewhat more important than Past Performance. Mission Suitability and Past Performance were each considered significantly more important than Cost.

Within the Mission Suitability factor were four sub-factors. The relative weights in terms of maximum numerical scores established for each sub-factor were as follows:

<u>Mission Suitability Sub-factor</u>	<u>Maximum Score</u>
Technical Plan	250
Management Plan	450
Cost /Resource Plan	200
Safety, Health, and Environmental Plan	<u>100</u>
	1000

The Board developed an Evaluation Plan that documented the standards against which all sub-factors of the proposals would be evaluated. Each Board member read each proposal and evaluated it against the standards of the Evaluation Plan. The SEB as a group considered each member's individual findings and reached consensus findings for each sub-factor. The Board then reached a consensus whether the strengths and weaknesses were significant, and then assigned an adjective rating for each sub-factor (defined below). Board members then individually assigned a score for each sub-factor and an average was determined. The SEB then considered that average score, discussed substantial variances in individual scores, if any, and reached consensus on a final score. All sub-factors for all proposals were scored and then the Board conducted a "horizontal review" of each sub-factor of all Offerors to ensure consistency among the findings for all Offerors.

Definition of Mission Suitability Adjectival Ratings:

- **Excellent** – A comprehensive and thorough proposal of exceptional merit with one or more significant strengths. No deficiency or significant weakness exists. 91-100 percent
- **Very Good** – A proposal having no deficiency and which demonstrates overall competence. One or more significant strengths have been found, and strengths outbalance any weaknesses that exist. 71-90 percent
- **Good** – A proposal having no deficiency and which shows a reasonably sound response. There may be strengths or weaknesses, or both. As a whole, weaknesses not off-set by strengths do not significantly detract from the Offeror's response. 51-70 percent
- **Fair** – A proposal having no deficiency and which has one or more weaknesses. Weaknesses outbalance any strengths. 31-50 percent
- **Poor** – A proposal that has one or more deficiencies or significant weaknesses that demonstrate a lack of overall competence or would require a major proposal revision to correct. 0-30 percent

The Past Performance factor was evaluated by the Past Performance Subcommittee. The Past Performance Subcommittee assembled and evaluated past performance data obtained through client questionnaires, NF1680 Past Performance information, Award Fee information, and the Past Performance volume of the proposals. The subcommittee reported its findings to the SEB and the SEB provided its approval.

The rating system used to determine the Past Performance rating for each Offeror is as follows:

Definition of Past Performance Adjectival Ratings:

- Excellent - Consistent record of exceptional past performance by the Offeror and any proposed major subcontractors on work identical or very similar to the work requirements of the proposed contract. Many strengths and no weaknesses
- Very Good - Consistent record of successful past performance by the Offeror and any proposed major subcontractors on work identical or very similar to the work requirements of the proposed contract. Strengths far outweigh any weaknesses
- Good - Successful past performance by the Offeror and any proposed major subcontractors on work similar to the work requirements of the proposed contract. Strengths outweigh any weaknesses.
- Weak - Weaknesses outweigh strengths.
- Poor - Weaknesses far outweigh strengths.
- Fails - Significant weaknesses with no strengths.
- Neutral - Neutral score Assigned to Offerors with no relevant past performance.

The Price factor was evaluated by the Price Subcommittee to determine the most probable cost. The analyses included field pricing support from the Defense Contract Audit Agency (DCAA), which reviewed the proposed indirect cost rates for all prime and major subcontractors (as applicable) included in the Offeror's team. The analyses by the Price Subcommittee included review for compliance with RFP instructions, and assessment of the reasonableness and realism of proposed wages, support staffing levels, annual escalations, and other direct costs.

The Government developed an independent Government estimated in advance of the issuance of the solicitation based on the RFP specified staffing levels.

Findings

The findings of the SEB are summarized below by evaluation factor for each Offeror.

Mission Suitability Factor

The Offerors proposals were evaluated by the SEB in accordance with RFP Section M. The following are summaries of the Board's findings in Mission Suitability organized by sub-factor:

Technical Plan Sub-Factor

The Offeror's Technical Plans were evaluated based on the following: a) Understanding of how to deal with simultaneous, multiple activities in several facilities at different phases of planning, preparation, operation and post-test operation; b) Understanding of the critical issues involved in project management, design, development, fabrication, fabrication oversight, testing, integration, and deployment of unique systems that are designed to operate in unique environments; c) Understanding of the various disciplines and skills required to perform the project types; d) Ability to develop and refine user or customer requirements; e) Understanding of the risks and recommended approaches to minimize the impact of the identified risks; and, f) Innovative approaches the Offeror

would suggest for improving the processes, systems, or techniques required in the SOW with supportive reasoning will be used to evaluate the Offeror's understanding of the highly complex work to be performed.

Sierra Lobo (SL)

The Sierra Lobo Technical Plan sub-factor was rated "**Excellent**".

A "**Significant Strength**" was identified in that SL clearly demonstrated an excellent understanding by recognizing "the challenge of dealing with multiple activities of different types that are in progress in different phases simultaneously in a mixed team environment." Examples include: their understanding of the magnitude of the challenges multiple activities of different types that are in progress; recognized the need for both work process and project and task level integrated resource planning and at the overall contract level with strong integrated process; and the emphasis on customer satisfaction.

A "**Strength**" was identified in that SL did a very good job capturing and correctly organizing the essence of the work in the SOW and BMS procedures. Examples included: demonstrated understanding of critical issues in their risk charts; demonstrated understanding of GRC processes; the discussion of projected migration from Government run to more contractor run facilities; the defined work operating processes and good integration of project management/implementation (computer software); and the proposed use of associate contractor agreements.

A "**Strength**" was identified in that SL demonstrated a very good understanding of the disciplines and skills required to perform the work. Examples include: a detailed descriptions of disciplines and skills required and how the staffing will be deployed; and the recognition of similar skills between operations and maintenance activities and between operations and institutional areas that allow cross-utilization.

A "**Significant Strength**" was identified in that SL demonstrated an excellent understanding of risks and their recommended approach to minimize their impact is outstanding. Examples include: plan to improve communication of risk data throughout the life cycle of projects; and the approach to have the Program Manager be directly responsible for the risk management program with ownership and accountability at the proper level within the organization.

A "**Significant Strength**" was identified in that SL proposed several outstanding innovative approaches. Examples include: TFOME Enterprise Resource Management Solution TERMS (web-based) software system is an innovative approach for improving the processes or techniques required to perform the work; the approach in hardware development and General Services; proposed approach to build up a facility and project database to capture knowledge for future projects building from their current database; and comprehensive training effort to cross-train operators who work on major facilities that operate intermittently.

Diversitech

The Diversitech Technical Plan sub-factor was rated "**Very Good**".

A "Strength" was identified in the Diversitech did a very good job capturing and correctly describing the technical work in the SOW. Diversitech appropriately captured the essence of the RTD and PBMO vision and applied it through out the discussion of the technical work. Examples of this include: demonstrated understanding of critical issues in their risk charts; demonstrated understanding of present operations; addressed the projected migration from government run to more contractor run facilities; proposed a Problem Reporting and Corrective Action (PRACA) system to capture all customer inputs, operational problems, as lessons learned in a database along with corrective actions with a means to monitor on a monthly basis; large project tracking of cost and schedule on a continuous basis using an earned value management system.

A "Strength" was identified in that Diversitech demonstrated a very good understanding of the disciplines and skills required to perform. Examples include: detailed descriptions of disciplines and skills required and how the staffing will be deployed; method to rebalance staff; and use of "super-technicians" and engineering associates.

A "Significant Strength" was identified in that Diversitech proposed innovative approaches in Testing Processes and Knowledge Management. Examples include: proposed a method to assess potential for reducing the test cost through automation; and proposed tools to improve information availability by holding all test information in one place for all customers.

Management Plan Sub-Factor

The Offeror's Management Plans were evaluated based on the following: Organizational Structure and Management Approach, Partnering Approach, Staffing and Recruiting Approach, Phase-in Plan, Key Personnel, Overall/Project Management, and the Offeror's understanding of the risks and recommended approaches to minimize the impact of the identified risks.

Sierra Lobo

The Sierra Lobo Management Plan sub-factor was rated "*Excellent*".

A "Significant Strength" was identified in that SL proposed an excellent organizational structure and management approach. Examples include: Associate Contractor Agreements (ACA) with other contractors that impact TFOME; Program Manager (PM) reports directly to the SL President; PM has full authority, autonomy and control of contract/subcontracts; PM has authority to act across subcontractors; organizational structure matches up well with several levels of NASA GRC management; an extensive discussion of managing resources in real time that will integrate: work plans, facility, maintenance, repair, outages, and construction of facilities schedules; and an Operational Assessment by a group of experts in facility operations to recommend ideas for streamlining and consolidation.

A "Strength" was identified in that SL proposed a very good partnering and marketing approach. Examples include: an in depth discussion of partnering plans, corporate resources, management, marketing and operations; partnering retreat between all team members and NASA to facilitate team-building, joint training, and to begin defining initiatives and an overall TFOME partnering roadmap; an integrated software tool for good communication between the partners; proposed methods to evaluate and exploit

opportunities for marketing and utilization of GRC test facilities; and will bring lessons learned and best practices from marketing efforts on the NASA contracts.

A "Strength" was identified in that SL proposed a very good staffing and recruiting plan. Examples include: proposed outstanding fringe benefits and total compensation, uniform for all employees whether exempt or non-exempt; recognizes all employees as working for the same contractor; proposed a comprehensive training plan; proposed a ready reserve list of retired personnel as one method of rapid recruitment of qualified personnel and a recruiting bonus for employees who recruit identified specialty skills; and proposed rewards and incentives.

A "Strength" was found in that SL proposed a very good phase-in plan. Examples include: plan for retaining incumbent employees includes; expects to hire 100% of the qualified incumbent employees filling the skill mix listed in the RFP; and will conduct an open house and use the current TFOME website to communicate information to incumbent employees and allow incumbent employees personal interaction regarding any questions they may have.

A "Significant Strength" was identified in that SL proposed an excellent approach to overall project management. Examples include: SL recognized the need for continuing vigilance in all aspects of project management from risks to planning, implementation, and completed project evaluation; presented an extensive workforce fluctuation, training and cross utilization discussion; proposed organizing by "sustaining" and "performing" staff; describes a strategy for implementing cross utilization to effectively deploy the workforce; proposed incentives for cross training, knowledge management and cross-utilization.

Diversitech

The Diversitech Management Plan sub factor was rated "Very Good".

A "Strength" was identified in that Diversitech proposed a very good organizational structure and management approach. Examples include: proposed that their corporate office has direct authority over all performing organizations; Project Manager will be autonomous with respect to contract operations and is fully authorized to commit the TFOME team; PM is Government Point of Contract; during work phase-in, there will be no company boundaries and will provide cross-utilization of resources between Lewis Field and Plumbrook; proposed the creation of a Resource Manager position responsible for the development of annual and dynamic work plans; and proposed the use of an independent assessor to review areas where improvement may be made after each award fee evaluation.

A "Strength" was identified in that Diversitech proposed a very good Partnering and Marketing Approach. Examples include: proposed a method to jointly "flesh out" the details of the partnership; and proposed to supplement the GRC's existing Integrated Facility Planning Team and Marketing Program with participation by contract personnel and the establishment of an advisory panel.

A "Significant Strength" was identified in that Diversitech proposed an excellent staffing and recruiting plan. Examples include: Diversitech, QSS and AP Solutions would adopt a single set of outstanding fringe benefits and total compensation that will be uniform for

all employees; proposed a comprehensive training plan; proposed a method to identify qualified recruitment candidates and a wide range of candidate sources; and proposed generous rewards and incentives.

A "Strength" was identified in that Diversitech proposed a very good phase in plan. Examples include: proposed to retain 100% of the qualified incumbent personnel. Project Manager would also serve as the Phase-in Project Manager; at the end of the phase-in period, Project Manager would present to the CO/COTR a transition readiness review to demonstrate readiness to initiate full performance; proposed a skill audit to ensure required skills are met and target areas of need; will host an open house for incumbents and others interested in employment; all employees hired for the TFOME contract would retain seniority from their hire date with previous GRC contractor; and will offer no cuts in pay or fringe benefits for incumbents.

A "Strength" was found in that Diversitech proposed a very good approach to overall project management. Examples include: proposed to focus on the customer while emphasizing their partnership with the government; proposed a systematic approach to project management; proposed a resource planning team to evaluate project team members and form teams with the skill levels needed; proposed a variety of programs to train personnel for cross utilization to maximize resources; and proposed a flexible work week where possible to accommodate project requirements.

Cost/Resource Plan Sub-Factor

Sierra Lobo

The Sierra Lobo Cost/Resource Plan sub-factor was rated "*Excellent*".

A "Significant Strength" was identified in that SL proposed the use of a fully integrated solution for accounting, project management, resource management, financial reporting, knowledge capture, property management, etc.

A "Strength" was identified in that SL approach for developing a Master Integrated Resource Schedule works well with GRC's need for accurate and timely estimates for their customers.

A "Strength" was identified in that SL proposed several approaches which will result in very good control of overhead costs. Examples include: a proposed cap on G&A, a cap on program support labor costs, and no fee on material, supplies, and equipment; proposes Zero Cost for vehicles for the first 3 years; and proposed approaches to control of overhead costs.

Diversitech

The Diversitech Cost/Resource Plan sub-factor was rated "*Good*".

A "Weakness" was identified in that Diversitech Management Information System does not provide the contract with an efficient, modern, integrated, system for accounting, and project/resource management over the life of the contract. This proposed Management Information System is an old, custom accounting software with a very small user base that proved difficult to interface.

A "Strength" was identified in that Diversitech's approach for developing an Annual Work Plan, AWP, and Dynamic Work Plan, DWP works well with GRC's need for accurate and timely estimates for their customers.

A "Strength" was identified in that Diversitech proposed several approaches which will result in very good control of overhead costs. Examples include: proposes to make significant internal contributions to the TFOME effort; and proposed caps on corporate overhead and G&A and will not apply G&A or fee to subcontract cost and Other Direct costs (ODC's).

Safety, Health, and Environmental Plan Sub-Factor

Sierra Lobo

The Sierra Lobo Safety, Health, and Environmental Plan (SH&E) was rated "Very Good".

A "Significant Strength" was identified in that SL SH&E Plan had several features which together offered an excellent approach. Examples include: proposed to establish a Safety & Assurance (SA) manager to promote all levels of SH&E requirements and related issues; and proposed methods to promote a "Zero incidents".

Diversitech

The Diversitech Safety, Health, and Environmental Plan (SH&E) was rated "Very Good

A "Significant Strength" was identified in that Diversitech SH&E plan had several features which together offered an excellent approach. Examples include: proposed the establishment of a safety, quality, and environmental (SQE) manager to promote all levels of SH&E requirements, and related issues; and proposed a continuous improvement approach.

Past Performance Factor

Sierra Lobo

SL Past Performance rating was "*Excellent.*"

SL received an "Excellent" rating in all three tiers of the past performance evaluation areas (Past Performance Questionnaires, NS1680 and Award Fee Evaluations, and Past Performance (Volume II) proposal evaluation.) SL demonstrated a constant superior performance in a wide variety of technical and administrative functions throughout the life-cycle of their relevant contracts. After the SEB's thorough review, no weaknesses could be identified. As a whole, SL showed a consistent record of exceptional past performance, as did their proposed subcontractors on work very similar to the requirements of the proposed contract.

Diversitech

Diversitech Past Performance rating was "*Very Good*".

Diversitech received an "Excellent" rating in the first tier of the past performance evaluation (Past Performance Questionnaires) and "Very Good" ratings in tiers #2 and #3 (NS1680 and Award Fee Evaluations and Past Performance (Volume II) proposal evaluation.) Although Diversitech's past performance was above average in many respects, some problems were identified that warranted the slightly lower adjective rating. For example in the PBOS contract there were issues raised as to the company's ability to Phase-In work, their ability to recruit and maintain a skilled workforce and problems with their accounting system. As a whole, Diversitech showed a consistent record of successful past performance, as did their subcontractors on work very similar to the work requirements of the proposed contract.

Cost/Price Factor

Sierra Lobo

SL's total contract price is 5.8% higher than the Government Estimate. There were no adjustments made to the proposed contract price.

Diversitech

Diversitech total contract price is 7.1% higher than the Government Estimate. There was one adjustment made to the proposed contract price. A downward adjustment was made to correct a math error in the application of an overstated overhead rate. The overall effect of this adjustment was a net decrease of (\$1,029,673.00) to the total contract price.

DECISION

A selection presentation and discussion meeting was convened on November 10, 2004. In attendance was the full SEB plus appropriate GRC management. During the presentation, the SEB reviewed the procurement activities to date plus the RFP selection criteria. The SEB provided evaluation summaries and detailed findings of both proposals. Discussions ensued during the presentation to achieve a better understanding of the information. It is clear from the information presented that two fully compliant proposals were received and both companies, in all likelihood, could successfully perform the work effort. However, during the discussion key areas of difference were identified that support the final selection.

Under Mission Suitability, I note that SL had an overall rating of Excellent. In the combined area of Technical Work Plan and Management Plan, SL had 5 significant strengths. This directly translates to their ability to successfully perform and manage the anticipated work activity. Diversitech had an overall rating of Very Good with 2 significant strengths in corresponding areas. I find the significant strengths of SL in understanding the work activity and management approach to be meaningful discriminators because SL's proposal demonstrated a superior understanding of the challenges and risks associated with a varied, multi-task effort involving a mixed team environment, a method to minimize risk, a superior organization structure and management approach. Their comprehensive approach, as indicated in the above findings, provides the best opportunity for an effectively managed work activity which gives an advantage to SL.

In the Resource Plan, I note that SL had a single significant strength with a fully integrated project management resource solution while Diversitech had no significant strengths and a single weaknesses in this area. The project management resource solution proposed by Diversitech has proved very difficult to modify to meet new requirements. After discussing the approaches in more detail, the resource solution proposed by SL is more responsive to the programmatic needs of the Government to integrate a multi-task effort, mixed team environment. I find no advantages to the solution proposed by Diversitech and note that it has caused problems in other contracts. Therefore, I find there is a slight advantage in this area to SL.

In the area of Safety and Health Plan, I find no meaningful discriminators.

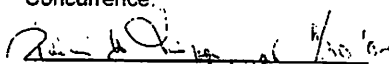
In the area of Past Performance, I note that SL received an overall rating of Excellent with an excellent rating in all three tiers. Diversitech received a rating of Very Good with an excellent and two very goods ratings in the corresponding tiers. I note that the Diversitech early on contract issues have largely been corrected and I further note the excellent performance of the Diversitech team on relevant GRC contracts. Therefore, I consider past performance to be nearly equal with only a slight advantage to SL.

In the area of cost, I note that SL is lower than Diversitech by only 1.2%. Diversitech had a net downward price adjustment, which was not of a magnitude that warranted reductions in the technical scores. The adjusted price of Diversitech resulted in a total price that was slightly higher than the SL price (to which no adjustments were made.) I note the price differential was mainly attributed to a lower labor overhead rate due in most part to lower costs associated with SL's benefits package. A thorough analysis was conducted and it was concluded that the benefits packages of both companies were very comparable. I find that the lower labor overhead rate is due to corporate efficiency and will not adversely affect the ability to retain qualified personnel or affect contract performance. Given that the contract will be cost reimbursement and subject to future test activity that cannot be fully defined today, I consider the cost essentially equal with only a slight advantage to SL.

In summary, my selection is based on a comparative assessment of the proposals against all source selection criteria in the RFP and represents my independent judgment. I noted in accordance with the RFP that Mission Suitability is somewhat more important than Past Performance and that Mission Suitability and Past Performance are each significantly more important than Cost.

Based primarily on its superior response to the requirements of the RFP specifically in the areas of the Technical and Management Plan, I believe Sierra Lobo provided the best combined approach to effectively manage and perform the anticipated effort. Accordingly, I hereby select Sierra Lobo to perform the anticipated contract.


 Olga Gonzalez-Sanabria,
 Source Selection Authority

Concurrence:

 Bradley J. Baker
 Procurement Officer