

National Aeronautics and Space Administration
Goddard Space Flight Center
Greenbelt, MD 20771



December 10, 2012

400

Reply to Attn of:

(b) (4)

ITT Corporation Information Systems
7855 Walker Drive
Greenbelt MD 20770

Dear (b) (4):

The performance of ITT Corporation Information Systems during the third award fee period for the Space Communications Network Services (SCNS) contract under number NNG09DA01C has been evaluated. This assessment included an evaluation of Program/Business Management, Technical/Schedule, and Cost Performance according to the SCNS Performance Evaluation Plan (PEP), 450-MGMT-0005. The Contracting Officer (CO) will issue a contract modification for payment of the earned fee under separate cover.

For this award fee evaluation period (April 9, 2012 through October 8, 2012), ITT received a consolidated Indefinite Delivery Indefinite Quantity (IDIQ) Service Task and Core performance score of 87 percent (an adjectival score of "Very Good"), earning \$2,366,071 of the available fee of (b) (4) for End Item Task Orders (TOs) ITT earned a total of \$639,993 of the available fee of (b) (4) End Item TOs award fee earned was a combination of "final" fee for tasks whose final deliveries were made during this period, and "interim" fee for tasks whose deliverables will be completed during a future award fee period (Final End Item TO fee determination is made when final deliveries are made). See Enclosure for details.

The consolidated IDIQ Service Task and Core performance score is comprised of the following element scores:

Program/Business Management:

ITT is awarded a score of 79 percent for the Program/Business Management Performance factor, representing a "Very Good" adjectival rating.

During this period, ITT generally complied with all of the terms and conditions of the contract. In addition, ITT's sustained open communications with the government was commendable and helped tremendously in anticipating and resolving problems. As another example of improved performance, ITT has significantly reduced their response time for allotment dates from several days/weeks to hours/next day which has been a benefit to NASA. With the exception of financial reporting, deliverables have been submitted in a timely fashion. An example of significant improvement in this area is travel/training

reporting where timely submissions were noted in Travel reports as well as requests for international travel and training.

While the majority of the proposals were submitted either on time or early, there was an increase from last period in the number of task orders submitted after the due date. However, the government recognizes and appreciates ITT's effort to prioritize task orders in cases where they are due close to or on the day that a task Period of Performance will expire. The improvement in providing backup documentation and rationale for task orders has continued throughout this performance period. On the other hand, as the period progressed, there was a notable increase in the time required for ITT to respond to requests by the CO for additional information required for task order processing, which led to task order award delays.

Of significant note is an issue that arose regarding ITT's ability to deliver invoices and 55M/Q reports in a timely manner. Invoicing, for example, has been months behind for cost and fee. Also, ITT had significant issues in delivering the 533M and 533Q reports on schedule, with many of these reports delivered late. ITT needs to improve the timeliness of these deliveries and the accuracy of these financial reports, which are critical to the government's ability to track contract spending and forecast future expenditures. The lack of timeliness on these reports also creates an incomplete Monthly Status Report (MSR) which government staff briefs to upper management.

In the area of Subcontracting, ITT continues to have an effective relationship with its teammates and subcontracts. However, there were cases where ITT had significant delays in submitting the renewed consent packages for its commercial subcontracts to the government. Also, there were situations where ITT significantly delayed issuing a Purchase Order (PO) to a subcontractor after the government issued consent. ITT should focus on ensuring that there are not delays in this process which could delay the ability of the government to meet programmatic commitments. ITT's overall Small Business participation has exceeded the planned dollar value through this period. The contractor's performance in achieving the Small Disadvantaged Business (SDB), Women Owned Small Business (WOSB) and Service Disabled Veteran Owned Small Businesses (SDVOSB) participation for this period was lower than expected. In the category of Historically Black Colleges and Universities (HBCU) (b) (4) In the category of Veteran Owned, the contractor significantly exceeded the expected dollars. In future periods, it is recommended that ITT work to improve performance in the overall SDB, WOSB, HBCU, HubZone, and SDVOSB subcontracting goal categories.

In the area of Equal Employment Opportunity, ITT's representation of minorities and women in the "Total Workforce" and "Officials & Managers" categories continue to be below norms in all groups. ITT should strive to reach parity in the underrepresented areas.

In the area of Government Property, there is still an issue with unaccountable Government Furnished Equipment transitioned from the previous contract that directly affects the SCNS contract. The required full inventory of items transitioned from the previous contract has still not been accomplished/confirmed and the list of items that should have accounted for but were omitted are still being identified. ITT should work to address this during upcoming performance periods.

Technical/Schedule Performance:

ITT is awarded a score of 90 percent for the Technical Performance factor, representing a "Very Good" adjectival rating.

ITT performed very well in supporting Space Network (SN) operations during this period, including supporting numerous Expendable Launch Vehicle launches and International Space Station visiting vehicle activities with 100 percent proficiency. ITT also had exceptional performance and provided close coordination in support of Tracking and Data Relay Satellite-K (TDRS-K) activities. Additionally, ITT did an excellent job in reconfiguring TDRS-6 and the associated ground equipment in support of antenna testing at a vendor location, a first for TDRS. The ops team also responded well to a number of unique or short lead time requests from NASA, such as the reactivation of Wide-field Infrared Survey Explorer. However, NASA was not always notified in a timely fashion of significant SN operational issues that resulted in lengthy outages. ITT should take actions to improve their processes related to government notification of outages as well as in the accuracy of the written technical reports relating these outages.

In the area of SN maintenance, ITT's performance in correcting failures with the Second TDRS Ground Terminal antenna brakes and the Guam Remote Ground Terminal 11 meter drive system were creative and appreciated by the government.

A large number of software deliveries across various baselines within the SN were made during this period. This had significant value to the government and provided excellent flexibility to support the customer needs and to offer stability for the TDRS-K project. However, two deliveries were unsuccessful and needed to be removed, impacting customers. ITT is encouraged to improve upon their "Test to Break" approach to ensure greater success on the operational system. It has been well received that ITT initiated an investigation into the software testing processes.

The government recognizes and appreciates the work ITT did, on their own initiative, to improve processes and/or reduce SN risks, including: (b) (4)

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In addition, ITT provided significant and invaluable support to the NASA study team investigating potential SN cost reductions.

ITT performance in support of SN IDIQ tasks was excellent overall. Of particular note, support provided by ITT on TO-31, Systems Engineering, and TO-30, Special Projects and Missions, was excellent. The contractor is commended for demonstrating a high degree of technical expertise and flexibility, and the ability to work independently with minimal NASA involvement. Furthermore, ITT's technical review of the SN Ground System Sustainment documentation, active participation in working groups, and critical comment and review of the Space Network Ground Segment Sustainment preliminary design were very good.

ITT maintained a high level of Near Earth Network (NEN) operational proficiency during this period. The government would like to specifically commend ITT for the NEN McMurdo team effort to swiftly recover the NASA antenna system and the Joint Polar Satellite System antenna to operational status with minimal customer impact.

The NEN engineering team achieved an outstanding success in the site planning and construction of the foundation and vault for the new AS3 11 meter antenna in Fairbanks, Alaska.

The Satellite Laser Ranging (SLR) team accomplished repairs of several radar systems and the Tahiti station (MOBLAS-8) High Sensitivity Receiver. However, the SLR team experienced issues with station internal schedules during the month of July which impacted the station's ability to perform their mission.

In the Network Integration and Management Office (NIMO) area, ITT support for all operational activities was excellent with the Contractor being very responsive to many schedule changes and alterations in the planning. Specific highlights include work done to adjust compatibility test schedules to accommodate flight project schedule slips and the smoother and transparent migration from the compatibility test van to portable equipment racks which has greatly reduced the travel and sustainment cost in this area.

Lastly, ITT support for newly launched missions during this period was a highlight. It also exposed areas for improvement. NEN, NIMO and SN support for the NuStar and Van Allen Probe missions had many positive attributes. Rapid accommodation of evolving customer requirements and significant hours of successful support were all performed in an outstanding manner. However, there were issues, specifically on the Van Allen Probe Mission launch, where operational adjustments were required after launch to address system compatibility issues with the customer spacecraft. ITT is encouraged to suggest to the government any changes to the pre-launch testing or requirements capture processes that could reduce the need to "tweak" systems after launch to achieve compatibility. Many times, early contacts after launch are the most critical to a flight project and issues during this period may prevent a customer from getting key telemetry or from being able to send key commands.

Cost Performance:

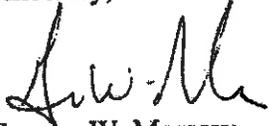
ITT is awarded a score of 86 percent for the Cost Performance factor, representing a "Very Good" adjectival rating.

Overall, negotiated versus actual costs for this period over-ran, but within an acceptable range. Overall, forecasted versus actual costs is still being significantly understated, resulting in the inability of the Government to plan costs for this period and assure adequate funding levels. ITT did implement a forecasting recovery plan at the end of the first performance period which has resulted in some improvements but has not been totally effective in resolving this issue. ITT should consider revisiting their approach to forecasting and identify a more effective approach.

Summary:

ITT's overall performance on the contract was very good during the third period of the contract. The technical and schedule performance were sound. I am very pleased with ITT's overall performance, however, I urge you to take note of the areas for improvement, and continue to strive for excellence in the future.

Sincerely,



George W. Morrow
Fee Determination Official

Under Separate Cover:
Award Fee Modification to the Contract

Enclosure:
Award Fee Matrix

cc:

100/Mr. C. Scolese
100/Mr. A. Obenschain
210.P/Ms. T. Anthony
210.P/Ms. M. Nieves-Torres
400/Mr. D. Scheve
400/Mr. S. Shinn
450/Ms. M. Esfandiari
450/Ms. T. Felton
450/Ms. S. Janicki
450/Mr. J. Volosin

ITT/ (b) (4)
ITT/

End Item Task Orders
 Available and Earned Award Fee Matrix
 NNG09DA01C
 April 9, 2012 through October 8, 2012

For the TOs that ended during this evaluation period, the score shown in the table represents the final score for the life of the task. The available and earned fee shown in the table only represents the fee available/earned for this period. In accordance with Section 4 (k) of the PEP, "the final evaluation will consider the Contractor's performance and will be evaluated against the PEP to determine the total delivery order earned Award Fee. The interim payments are superseded by the fee determination made in the final delivery order evaluation. The Government will then pay the Contractor, or the Contractor will refund to the Government, the difference between the final award fee determination and the cumulative interim fee evaluation payments". All adjustments will be made via the Award Fee Modification that follows this letter.

Task Order	Task Description	End Date	Interim/ Final	Available for the period	Overall	Dollars Earned during the Period
034	NEN MG1/MG2 Development	9/30/2012	Final	(b) (4)		\$6,557
060	Blossom Point Antenna System	1/23/2013	Interim			\$247,964
063	SN Obsolescence Mitigation Support for USS-CR Project	5/30/2013	Interim			\$24,049
064	SN USS-CR Project - Materials	12/31/2012	Interim			\$823
065	ATTC Systems Development	6/30/2012	Interim			\$306,536
077	Administrative LAN Sustainment	5/31/2012	Final			\$33
079	NCCDS/DIS Interface Replacement	4/30/2012	Final			\$-
084	SN Support to Orion Flight Test 1	9/30/2013	Interim			\$10,178
085	Digital Architecture Testing	6/1/2013	Interim			(\$13,272)
086	WSC Telephone Sys Replacement	1/31/2013	Interim			\$14,986
093	WSGT Chiller Replacement Phase 1	8/6/2013	Interim			\$1,431
094	Space Shuttle Termination and Retirement Network Activities	12/31/2012	Interim			\$35,503
099	James Webb Space Telescope Portable Spacecraft Simulator	10/30/2012	Interim			\$5,206
107	Replacement of WSC's Switchgear PLC and SCADA systems	6/30/2013	Interim			\$35,583
113	Magnetosphere MultiScale EEFOV automation	8/6/2013	Interim			\$5,004
115	WSGT Chiller Replacement Phase 2	8/30/2013	Interim		\$718	
TOTAL						\$639,993

Enclosure