

**SELECTION STATEMENT  
FOR  
SPACE COMMUNICATIONS NETWORK SERVICES (SCNS)**

On September 25, 2008, I, along with key senior officials of the National Aeronautics and Space Administration (NASA) and Goddard Space Flight Center (GSFC) representatives, met with the Source Evaluation Board (SEB) appointed to evaluate proposals in connection with the Space Communications Network Services (SCNS) Procurement.

**Procurement Background**

The SCNS contract will provide support to multiple NASA centers as well as other Government agencies, and public and private, domestic and foreign entities. The SCNS Contractor will operate and maintain existing Government facilities related to NASA's Space Network (SN), including the fleet of on-orbit Tracking and Data Relay Satellites (TDRS), the Ground Network (GN), the Very Long Baseline Interferometry (VLBI) Network, and the Electronic Systems Test Laboratory (ESTL). The SCNS contractor will also perform systems and sustaining engineering, logistics, facilities management, and hardware and software development for the networks.

This full and open competitive procurement will result in a hybrid cost-plus-award-fee contract, which includes a Core requirement and an Indefinite Delivery Indefinite Quantity (IDIQ) requirement. The contract will have a period of performance/effective ordering period of five-years and three-months from the award date of the contract plus two one-year option periods. The Core requirement contains a 90 calendar day phase-in period.

The evaluation was conducted in accordance with the source selection procedures identified in Federal Acquisition Regulation (FAR) Subpart 15.3 and NASA FAR Supplement (NFS) Subpart 1815.3. The SEB procedures contained in NFS 1815.370 were also applied.

**Procurement Chronology**

<b><u>Procurement Milestones</u></b>	<b><u>Anticipated Date</u></b>	<b><u>Actual Date</u></b>
Request for Information (RFI) Released	03/09/2007	03/09/2007
Procurement Strategy Meeting (PSM) at NASA's Headquarters	08/29/2007	08/29/2007
Synopsis Released	10/17/2007	11/28/2007
Draft RFP Released	10/17/2007	11/28/2007
Pre-Solicitation Conference	10/24/2007	12/07/2007
GSFC Site-Visit	09/11/2007	12/07/2007
White Sands Complex (WSC) Site-Visit	09/25/2007	12/11/2007
Merritt Island Launch Annex (MILA) Site-Visit	09/18/2007	12/19/2007
Final RFP Released	11/19/2007	01/16/2008
Final RFP Amendment 1 Released		01/29/2008
Final RFP Amendment 2 Released		02/06/2008
Final RFP Amendment 3 Released		05/23/2008
Final RFP Proposals Due	01/08/2008	02/15/2008
Initial SEB Evaluation Completed	03/25/2008	07/16/2008
Initial GSFC Center Management Briefing		07/21/2008
Initial Source Selection Authority Briefing	05/30/2008	07/28/2008
Competitive Range Determination		07/30/2008
Face-to-Face Discussions		08/13-14/2008
Final RFP Amendment 4 Released		08/18/2008

Final RFP FPR Due		08/25/2008
Final SEB Evaluation Completed		09/05/2008
Final GSFC Center Management Briefing		09/15/2008
Final Source Selection Authority Briefing/Selection		09/25/2008
SCNS Contract Award	07/01/2008	NLT 10/08/2008
Anticipated Phase-In Complete/ NENS Contract Ends	10/08/2008	01/08/2009

A Request for Information (RFI) to industry regarding the SCNS effort was released on March 9, 2007. On March 30, 2007, the Government received responses from sixteen industry members. Industry responses validated much of the Government's initial assessment concerning the follow-on strategy, and did not provide any significant new information regarding the topics in question.

The Procurement Strategy Meeting (PSM) was held on August 29, 2007 at NASA Headquarters. The Assistant Administrator for Procurement, Mr. William McNally approved the PSM minutes on December 11, 2007 accepting the overall acquisition strategy.

A synopsis and a Draft Request for Proposals (DRFP) were issued on November 28, 2007 for industry comment. Comments from industry related to the DRFP were requested by December 14, 2007. A Pre-Solicitation Conference with industry was held at NASA's Goddard Space Flight Center (GSFC) on December 7, 2007. Site-visits were held at the GSFC, Greenbelt, MD; the White Sands Complex (WSC), White Sands, NM; and the Merritt Island Launch Annex (MILA), Merritt Island, FL on December 7, 11, and 19, 2007 respectively.

The final Request for Proposal (RFP) was released on January 16, 2008. This requirement was issued as a full and open competitive procurement under NAICS code 517919, Size Standard \$23M. Three timely proposals were received on February 15, 2008, as required by the RFP from the following Prime Offerors:

1. **Honeywell Technology Solutions, Inc. (Honeywell)**  
7000 Columbia Gateway Drive  
Columbia, MD 21046
2. **ITT Corporation – Advanced Engineering & Sciences Division (ITT-AES)**  
12975 Worldgate Drive  
Herndon, VA 20170
3. **SGT, Inc. (SGT)**  
7701 Greenbelt Road  
Suite 400  
Greenbelt, MD 20770

After receipt of proposals, three amendments were issued to make adjustments to the solicitation. Amendment One, issued on January 29, 2008, made the adjustments to the Solicitation in response to Questions and Answers posted on the NASA Acquisition Internet Service (NAIS) on January 28 and 29, 2008. Amendment Two, issued on February 6, 2008, made adjustments to the solicitation in response to questions and answers posted on the NASA Acquisition Internet Service (NAIS) on January 28, 2008 and February 5, 2008. Amendment Three, issued on May 23, 2008, revised Section L.15 SCNS Cost Proposal Volume to include instructions related to the payment of the New Mexico Gross Receipts Tax and the Guam Business Privilege Tax.

### **Competitive Range Determination/Discussions**

A full briefing of the results of the initial evaluation conducted by the Source Evaluation Board (SEB) as well as the Contracting Officer's Competitive Range Determination was presented to the Source Selection Authority (SSA) on July 28, 2008. In accordance with FAR 15.306(c) and RFP Section L.11 (Proposal Preparation-General Instructions), the Contracting Officer determined (with concurrence from the Source Selection Authority (SSA)) that it was in the Government's best interest to conduct discussions regarding the proposals submitted in response to the above referenced solicitation.

The Contracting Officer determined that the proposals submitted by Honeywell and ITT were the most highly rated proposals and therefore were included in the competitive range. The Contracting Officer also determined that based on the evaluation conducted by the SEB that SGT's proposal was not one of the most highly rated proposals and therefore was not included in the competitive range.

A letter was sent to each Offeror on July 30, 2008 that informed them of their status within the competitive range. On August 5, 2008 letters were sent to Honeywell and ITT annotating the weaknesses cited in their technical proposals, clarifications, and issues pertaining to the cost portion of their proposal, and requesting additional past performance information.

Discussions were held in person and took place on August 13 and 14, 2008. Subsequently, on August 18, 2008, a letter was sent to Honeywell and ITT to close discussions and included Amendment Four which provided Final Proposal Revision (FPR) instructions.

Amendment Four, issued on August 18, 2008, replaced Provision L.11 (b) of the RFP, provided instructions associated with the FPR, revised L.15 Cost Volume to update the estimated date of the contract phase-in, and established the FPR due date.

On August 25, 2008, Honeywell and ITT submitted timely FPRs which were determined to be acceptable. Final evaluations commenced on August 26, 2008 and were completed on September 05, 2008.

### **Evaluation Factors**

The RFP stated that the three factors to be evaluated for this requirement are Mission Suitability, Cost, and Past Performance.

The Mission Suitability evaluation evaluated each Offeror's technical approach and understanding of requirements, management approach and compensation plan and staffing plan, health and safety plan, and small business utilization. The Mission Suitability evaluation also evaluated whether the resources proposed were consistent with the proposed efforts and accomplishments associated with each subfactor or whether they were overstated or understated for the effort to be accomplished as described by the Offeror and evaluated by NASA. The Offeror's justification for the proposed resources was considered in this evaluation. In the event that the Offeror's proposal demonstrated a lack of resource realism, it was evaluated as demonstrating a lack of understanding of, or commitment to, the requirements.

In accordance with NFS 1815.304-70(b)(1), the Mission Suitability Factor was weighted and scored on a 1000 point scale. The weights (points) associated with each Mission Suitability Subfactor are as follows:

<b>MISSION SUITABILITY SUBFACTORS</b>	<b>AVAILABLE POINTS</b>
Subfactor A: Technical Approach & Understanding the Requirement	400
Subfactor B: Management Approach & Compensation and Staffing	450
Subfactor C: Safety and Health Plan	50

Subfactor D: Small Business Utilization	100
<b>Total</b>	<b>1000</b>

The Mission Suitability Subfactors and the total Mission Suitability Factor were evaluated using the adjectival rating, definitions and percentile ranges at NFS 1815.305(a)(3)(A) and Section M.4 of the RFP. The maximum points available for each subfactor were multiplied by the assessed percent for each subfactor to derive the score for the particular subfactor.

The Cost Analysis evaluated each element of cost in each Offeror's proposal, and applied judgment to determine how well the proposed costs represent what the cost of the contract should be, assuming reasonable economy and efficiency. The cost evaluation was conducted in accordance with FAR 15.305(a)(1) and NFS 1815.305(a)(1)(B) and (C) and Section M.5 of the RFP. In conjunction with the cost analysis, a cost realism analysis was performed to ensure that elements of each Offeror's cost proposal were realistic for the work to be performed; reflected a clear understanding of the requirements; and were consistent with the unique methods of performance and materials described in the Offeror's technical proposal. The cost realism analysis was also used to determine a probable cost of performance for each Offeror. The probable cost of each Offeror reflects the Government's best estimate of the cost of the contract that is to result from the Offeror's proposal. In accordance with the Section M.4 of the RFP and NFS 1815.305(a)(3)(B), a structured approach was used to adjust an Offeror's overall Mission Suitability score based on the degree of cost realism. The Mission Suitability point score adjustment (if any) is based on the percentage difference between proposed and probable cost (as defined in the Cost Factor) of the Core Requirement and Representative Task Orders (RTO) 1, 2, and 3.

The Past Performance evaluation evaluated each Offeror's record (including the record of any major subcontractors as defined by the sum of subcontractor activity in the Core Cost Proposal, Exhibit 2a, and IDIQ Government Pricing Model, Exhibit 11 totaling at least \$25,000,000) of performing services or delivering products that are similar in size, content, and complexity to the requirements of this solicitation in terms of relevancy and performance. In accordance with Section M.6 of the RFP, adjective ratings (i.e., "Excellent", "Very Good", "Good", "Fair", "Poor", and "Neutral") were utilized to assess past performance. The adjective rating assigned to Past Performance reflects a subjective evaluation of the information contained in the written narrative; past performance evaluation input provided through customer questionnaires; and other references, if any, that the Government contacted for additional past performance information.

#### **Relative Order of Importance of Evaluation Factors**

The Cost Factor is significantly less important than the combined importance of the Mission Suitability Factor and the Past Performance Factor.

As individual factors, the Cost Factor is less important than the Mission Suitability Factor, but more important than the Past Performance Factor.

### **SEB Findings and Evaluation**

#### **Mission Suitability:**

The Honeywell and ITT proposals both received an overall adjectival rating of "Very Good". The overall Mission Suitability score for ITT's proposal was higher than that of Honeywell's proposal.

## **Subfactor A: Technical Approach & Understanding the Requirements**

### **Honeywell:**

Under Subfactor A, the Honeywell proposal received one significant strength, six strengths and one weakness, and a subfactor rating of "Excellent".

The significant strength identified was, as follows:

- 1) Honeywell's proposal demonstrated an exceptional understanding of scheduling challenges related to the Space and Ground Networks. Honeywell's exceptional understanding was demonstrated through insightful recommendations to address those challenges. Honeywell's proposal detailed several exceptional recommendations and studies to improve the system.

The strengths identified were, as follows:

- 1) Honeywell's Security Management Plan demonstrates a well documented and robust approach for meeting the security requirements of the SCNS contract.
- 2) Honeywell's proposal demonstrates a substantial understanding of the technical challenges related to the Compatibility Test Vans (CTV).
- 3) Honeywell's Phase-in Plan thoroughly demonstrates their understanding of all required activities to phase-in a contract of this size and complexity.
- 4) Honeywell's RTO#1 response demonstrates a sound understanding of the existing systems at WSC, near term upgrades to the systems, and interfacing with NASA. Honeywell's understanding of the human-machine interface required in the TDRS Operations Control Center (TOCC) is well demonstrated. In addition, Honeywell's plan will promote efficient communications and effective problem resolution.
- 5) Honeywell's RTO#3 response presents a well developed approach demonstrating how commercial services can be obtained at best value to the Government.
- 6) Honeywell's RTO#4 response demonstrates that they have the knowledge and expertise to plan and execute operations to support the Spacecraft Y (SCY) mission.

The weakness identified was, as follows:

- 1) The Offeror's RTO #1 TIP response demonstrates an inadequate understanding of the requirements analysis, trade study execution and analysis, and requirements identification aspects of the systems engineering process. Honeywell's proposal utilized inappropriate sources for availability values and proposed candidate architectures without providing substantiating documentation. In addition, Honeywell's proposal provided solutions without conducting trade studies, performing analysis, providing supporting information, identifying operational impacts, or justification.

### **ITT:**

Under Subfactor A, the ITT proposal received one significant strength and seven strengths, and a subfactor rating of "Excellent".

The significant strength identified was, as follows:

- 1) For RTO#4, ITT's proposal demonstrated exceptional knowledge and expertise required to plan and execute operations to support the SCY mission. ITT's proposed solutions are well researched, providing detailed risks and benefits. Their work flow is detailed and well developed. ITT also proposed a highly efficient use of personnel by sharing personnel across missions for the time period needed.

The strengths identified were, as follows:

- 1) ITT proposed a well developed plan for obsolescence avoidance of the SN. Given the advanced age and maintainability issues associated with operating and sustaining the SN, the ITT plan to apply

systems engineering processes and their understanding of the benefits of these processes will improve the quality and reduce the risk to operations of the aging SN.

- 2) ITT's proposal demonstrates an effective approach for putting in place new processes to meet the objectives and challenges of the SN, including a steady approach for analyzing and proposing process improvements.
- 3) ITT's proposal demonstrates a considerable understanding of the GN and SN scheduling challenges and processes.
- 4) ITT's proposal demonstrates a substantial understanding of the technical challenges related to the Compatibility Test Vans (CTV).
- 5) ITT's Phase-In Plan provides noteworthy activities that will increase the efficiency of their phase-in activities.
- 6) ITT's RTO#1 response demonstrates their detailed understanding of the systems engineering process and effective interfacing with NASA. ITT provides a robust description of the requirements generation and baselining process from a high-level functional description to a set of decomposed and derived requirements, including the effects of trade studies and analysis resulting in a stable set of requirements at the Systems Requirements Review (SRR).
- 7) ITT's proposal demonstrates a highly effective use of Maximo 6.2 to schedule and document preventive and corrective maintenance activity as well as re-installations and modifications.

### **Subfactor B: Management Approach & Compensation and Staffing**

#### **Honeywell:**

Under Subfactor B, the Honeywell proposal received five strengths and a subfactor rating of "Good".

The strengths identified were, as follows:

- 1) Honeywell's five key personnel all have substantial education and a demonstrated ability to manage a contract of the size and complexity of SCNS.
- 2) Honeywell has identified a comprehensive list of potential Associate Contractors with whom they have a likelihood of establishing Associate Contractor Agreements during SCNS contract performance.
- 3) Honeywell's Risk Management Plan demonstrates a thorough and complete understanding of the complexity of the SCNS contract. Honeywell's risk list contained numerous highly credible SCNS contract risks, over and above the NENS risks provided in the SCNS procurement library.
- 4) Honeywell proposes to share a portion of the Honeywell Award Fee directly with their employees for excellent performance.
- 5) The Honeywell proposal offers a commendable training program, which will increase the likelihood of Honeywell providing a skilled and competent workforce to successfully perform in a changing, dynamic, and evolving technical environment.

#### **ITT:**

Under Subfactor B, the ITT proposal received seven strengths and a subfactor rating of "Good".

The strengths identified were, as follows:

- 1) ITT's proposal offers a commendable training program. The proposed training and certification program is effective and thorough, which will increase the likelihood of ITT providing a skilled and competent workforce to successfully perform in a changing, dynamic, and evolving technical environment.
- 2) ITT's Risk Management Plan demonstrates a detailed understanding of the complexity of the SCNS contract. ITT's risk list contained numerous highly credible SCNS contract risks, over and above the NENS risks provided in the SCNS procurement library.
- 3) ITT proposed to incorporate into the Integrated Management Plan additional guides, handbooks, and plans that exceed the requirements of the RFP.

- 4) ITT proposed a plan to perform a review and provide assessment of the SCNS tasks to look for commonalities and other efficiencies that could lead to cost reductions.
- 5) ITT proposed to hold a Partnership Meeting with NASA during phase-in that would lead to a Partnership Agreement. They propose to hold the first meeting immediately after contract award, during contract phase-in. After phase-in, ITT proposes to hold these partnership meetings quarterly to “foster teamwork and to focus on contract performance, efficiency, and flexibility.”
- 6) ITT’s five key personnel all have commendable education and a demonstrated ability to manage a contract of the size and complexity of SCNS.
- 7) ITT proposed key incumbent recruitment bonuses.

### **Subfactor C: Safety and Health**

#### **Honeywell:**

Under Subfactor C, the Honeywell proposal received one strength and a subfactor rating of “Good”.

The strength identified was, as follows:

- 1) The Honeywell team presented a noteworthy safety and health plan. The plan presented a clear understanding of the intent of a safety and health program and addressed all requirements identified by NASA, the Occupational Safety and Health Administration and other Federal agency requirements and exceeds the RFP requirements in many areas.

#### **ITT:**

Under Subfactor C, the ITT proposal received no findings and a subfactor rating of “Good”.

### **Subfactor D: Small Business Utilization**

#### **Honeywell:**

Under Subfactor D, the Honeywell proposal received one significant strength and one strength, and a subfactor rating of “Excellent”.

The significant strength identified was, as follows:

- 1) Honeywell proposes to award subcontracts involving high technology work to two SDB firms.

The strength identified was, as follows:

- 1) Honeywell's proposed total small business subcontracting goal exceeds the 20.0% goal cited in the solicitation. In addition, Honeywell exceeds the Contracting Officer's recommended goals in the categories of Small Disadvantage Businesses (SDB), Women-Owned Small Businesses (WOSB), and Veteran-Owned Small Businesses (VOSB). Exceeding the Contracting Officer's recommended goals for utilizing small business concerns does so in a manner that provides additional value to the Government. Over a three year period ending September 30, 2007, Honeywell has awarded significant subcontract dollars to small businesses on the NENS and MOMS contracts combined.

#### **ITT:**

Under Subfactor D, the ITT proposal received one significant strength and one strength, and a subfactor rating of “Excellent”.

The significant strength identified was, as follows:

- 1) ITT proposes a high percentage of work to SDB targeted North American Industrial Classification System (NAICS) codes over the life of the contract. ITT also has signed teaming agreements with all

of the proposed SDB team members, which greatly enhances their potential for successful performance with SDB concerns in those industries designated by the Department of Commerce as underrepresented areas by NAICS industry subsector.

The strength identified was, as follows:

- 1) ITT proposed total small business subcontracting goal exceeds the 20.0% goal cited in the solicitation. In addition, ITT exceeds the Contracting Officer's recommended goals in the categories of Women-Owned Small Businesses (WOSB) and Veteran-Owned Small Businesses (VOSB). Exceeding the Contracting Officer's recommended goals for utilizing small business concerns does so in a manner that provides additional value to the Government. Over the past three fiscal years, ITT has awarded significant subcontract dollars to small business concerns.

#### **Cost:**

Honeywell's total contract proposed and probable cost (Core Requirement & Government Pricing Model) was minimally lower than ITT's total contract proposed and probable cost (Core Requirement & Government Pricing Model).

Honeywell's total proposed and probable Cost-Plus-Award-Fee (CPAF) (including proposed fee amount) of the Core requirement (including proposed Phase-In costs) was minimally more than that of the total proposed and probable CPAF of the Core requirement (including Phase-In costs) submitted by ITT.

Honeywell's total proposed and probable CPAF (including proposed fee amount) of the Government Pricing Model, was minimally less than that of the total proposed and probable CPAF (including proposed fee amount) of the Government Pricing Model submitted by ITT.

The SEB had a high level of confidence in the probable cost results for both Offerors.

A cost realism analysis was performed on the overall cost proposed for the RTOs and the Core requirement for each Offeror and the results of that analysis were used to determine if either Offeror received a downward adjustment to their Mission Suitability point scores in accordance with the RFP evaluation criteria. Both Offerors received minor upward cost realism adjustments. However, the percentage difference between the cumulative total of the proposed and probable cost of the Core Requirement and the RTOs for both Honeywell and ITT were below the +/- 9.99% threshold as specified in the RFP for a mission suitability point adjustment. As such no point adjustment was made for either Offeror's proposal. Both Offerors' proposed Core and IDIQ costs were considered to be fair and reasonable.

#### **Past Performance:**

##### **Honeywell:**

Honeywell's proposal received an overall past performance rating of Very Good. This rating reflects experience that was evaluated as highly relevant to the SCNS contract requirements coupled with very good performance that was fully responsive to contract requirements. Honeywell along with their Major Subcontractor demonstrated that the contracts they are currently providing services under or have provided service under within the last 3 three years from the date of the release of the RFP are highly relevant in size, content, and complexity to the requirements of the SCNS RFP.

The Honeywell team submitted several contracts, all of which were deemed to be highly relevant to the SCNS contract. These contracts received performance ratings of Excellent, Very Good, and Good. Overall, these ratings show Honeywell and their major subcontractor have demonstrated excellent performance in performing mission operations and maintenance activities. However, Honeywell demonstrated only good to very good performance in the area of systems engineering. While Honeywell's major subcontractor, has demonstrated relevant experience and excellent performance in the area of systems engineering, Honeywell is proposed to

lead and perform the majority of the systems engineering effort. Honeywell's past performance demonstrated an inconsistent implementation of quality systems engineering practices on both the NENS and SCNC contracts, which led to an overall past performance rating of Very Good.

ITT:

ITT's proposal received an overall past performance rating of Excellent. The overall rating of Excellent for the ITT team reflects experience that is highly relevant to the SCNS contract requirements coupled with excellent performance that was fully responsive to contract requirements.

ITT along with their Major Subcontractors demonstrated that the contracts they are currently providing services under or have provided service under within the last 3 three years from the date of the release of the RFP to be highly relevant to the size, content, and complexity to the requirements of the SCNS RFP.

The performance of ITT along with their major subcontractors on their most relevant contracts demonstrated Excellent performance in operation and maintenance, developmental, and systems engineering tasks, which the SCNS contract requires. One major subcontractor, received a past performance questionnaire rating of Very Good on a primarily operations and maintenance contract, however the evaluator did not identify any adverse performance issues. The ITT team's relevant past contract performance led to an overall past performance rating of Excellent.

### **Source Selection Decision**

Prior to the SEB presentation to me on September 25, 2008, I carefully reviewed the SEB's consensus final findings report, which documented the evaluation findings of the two Final Proposals submitted in response to the SCNS RFP Amendment 4. This review provided the factual background and analytical context to understand and consider the materials and views presented.

Overall, the evaluation presented by the SEB resulted in an extremely competitive procurement between Honeywell and ITT.

In making my selection decision I took into account the requirement for the Source Selection Authority to comparatively assess the proposals against all source selection criteria in the RFP.

I carefully considered the information that I received in the SEB report and the SEB presentation, and I, along with key senior personnel at NASA Headquarters and GSFC Representatives, carefully questioned the team regarding various aspects of the evaluation during the presentation. After the SEB's presentation of their evaluation findings for both Offerors, which covered the significant strengths, strengths, and weakness contained in the mission suitability evaluation, as well as the cost evaluation, and past performance evaluation, I held a discussion session with those present concerning the evaluation results. Following this discussion, taking into consideration the relative importance of the evaluation criteria, I made my decision based on the following rationale:

Regarding the Mission Suitability Factor, the SEB assigned an overall rating of "Very Good" to both offerors. ITT's proposal received a higher overall mission suitability point score, primarily because it received higher scores in the two most heavily weighted subfactors: Subfactor A – Technical Approach & Understanding the Requirements and Subfactor B – Management Approach & Compensation and Staffing.

In Subfactor A, I consider the following strengths in ITT's proposal to be of particular importance: increasing efficiency of personnel in mission support operations, obsolescence avoidance of the SN, an effective approach for implementing new processes to meet the objectives and challenges of the SN, and detailed demonstration of the understanding of the systems engineering process in RTO#1. In Subfactor B, I found ITT's strength related to their plan to provide reviews and assessments of the SCNS tasks, especially identifying commonalities and other efficiencies, to also be of particular importance. These strengths demonstrated that

ITT has submitted a well rounded proposal, with strong capabilities in both operations and maintenance and development.

I also noted that Honeywell's proposal received a weakness in Subfactor A for demonstrating an inadequate understanding of the requirements analysis, trade study execution and analysis, and requirements identification aspects of the systems engineering process in RTO#1. I further noted the SEB's evaluation of Honeywell's past performance is consistent with this weakness finding. I find this weakness to be important particularly in light of the fact that this contract contains not only operations and maintenance, but also development.

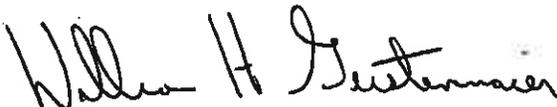
I consider the above ITT strengths and the above Honeywell weakness to be compelling discriminators between the two Offerors' proposals in the area of mission suitability.

Honeywell's total proposed cost (Core Requirement and Government Pricing Model combined) was minimally lower (less than one percent) than the total proposed cost submitted by ITT. Honeywell's total probable cost (Core Requirement and Government Price Model combined) was minimally lower (less than one percent) than the total probable cost submitted by ITT. I noted that the proposed and probable Core CPAF for Honeywell was slightly higher than the proposed Core CPAF submitted by ITT, while the GPM CPAF submitted by Honeywell was slightly lower than the GPM CPAF submitted by ITT. Because Honeywell's total proposed and probable costs were negligibly lower than the total proposed and probable cost submitted by ITT, I found the differences in cost to be too small to be a meaningful discriminator in the two proposals and certainly not sufficient to outweigh the technical advantages offered by the ITT proposal.

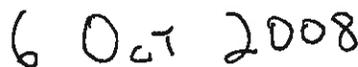
I concur with the SEB's overall adjectival rating for past performance, which included an evaluation of contract relevancy and performance for each Offeror and their major subcontractor team members. The SEB cited particular contracts and customer evaluations to support their evaluation. The ITT team received an "excellent" rating, while the Honeywell team received a "very good" rating. The ITT team demonstrated highly relevant past performance in operations and maintenance, developmental, and systems engineering tasks, which the SCNS contract requires. This team also received near-unanimous excellent ratings related to performance.

The Honeywell team demonstrated highly relevant past performance in operations and maintenance, developmental, and systems engineering tasks. However, I noted consistent with the mission suitability finding, that Honeywell had documented issues pertaining to systems engineering and development task performance on the predecessor contract to SCNS, the NENS contract, and the highly relevant SCNC contract. After reading the report and listening to the presentation I consider the ITT team's past performance to be slightly higher than that of the Honeywell team.

In view of the preceding discussion, I conclude that ITT's advantages in mission suitability, especially in the area of gaining efficiencies, avoiding obsolescence, and systems engineering, and its slightly higher Past Performance rating outweigh the negligible cost difference between the Offerors, particularly since the Cost Factor is significantly less important than the combination of the Mission Suitability Factor and the Past Performance Factor. Therefore, I conclude that ITT's proposal represents the best value to the Government, and I select ITT - AES (Advanced Engineering and Sciences) for award of the Space Communications Network Services (SCNS) contract.



William H. Gerstenmaier  
Source Selection Authority



Date