Source Selection Statement for
Enterprise Applications Service Technologies (EAST) 2
NNX15530075R

On November 12, 2015, I along with senior officials from NASA Headquarters, Marshall Space Flight Center (MSFC) and the NASA Shared Services Center (NSSC), met with the members of the Source Evaluation Board (SEB) to discuss the SEB's findings based on the evaluation of proposals for the EAST 2 procurement.

I. PROCUREMENT DESCRIPTION

The Enterprise Applications Service Technologies (EAST) 2 acquisition will procure maintenance, operations, new development, and management of enterprise applications to ensure that NASA's information technology (IT) investments effectively and efficiently support the Agency's mission. The EAST 2 contract is a NASA Agency-wide contract that provides services necessary to operate the NASA Enterprise Applications Competency Center (NEACC). The NEACC provides a platform to operate, maintain, and enhance key business and mission-supporting platforms, applications, and infrastructure used across the Agency and is responsible for supporting the extended Enterprise Applications stakeholder and End User communities. This includes technical support for over 200 applications that serve as key enablers for achieving NASA's missions and programs. EAST 2 will also provide a contractual vehicle for other NASA Centers across the United States to optionally utilize support for each one's unique applications as required.

The EAST 2 contract is crucial for NASA's operation. Without the NEACC's continued operations, mission-critical services would be inoperative, which would hamstring Agency functions. For example, the NEACC maintains the Core Financial System, NASA's first integrated, Agency-wide financial management application, which is critical to NASA maintaining a clean audit and which supports over 4,000 users. The NEACC also offers a suite of services for sharing, collaborating, integrating, assessing and controlling management information for the Agency's Human Exploration & Operations Mission Directorate. Additionally, the NEACC manages access to systems and facilities throughout the Agency for approximately 100,000 civil servant and contractor personnel and provides information security that is critical to mission integrity and protection of national assets.

The NSSC is managing the EAST 2 competition. The primary place of performance will be at the MSFC; however, per Section F.3 of the Request for Proposal (RFP or solicitation), alternate locations may be allowed with the Contracting Officer's (CO) written approval. This effort will be performed under a Cost Plus Performance Fee (CPPF) contract with the potential Performance Fee tied to performance measures, including an Indefinite Delivery Indefinite Quantity (IDIQ) feature. The EAST 2 contract will consist of a two-year base period, a two-year option period and a one-year option period. To incentivize the contractor to provide excellent service, the contract also provides an opportunity for the contractor to "earn" up to three additional 1-year Award Term Option periods, which could extend the contract to a total eight (8) year period of performance. In order to be eligible for an Award Term Option, the evaluations will be based on a 100 point performance scale and the EAST 2 contractor is required to have an average overall rating of

Excellent (91-100). An Award Term Option Evaluation Team, chartered by the Agency Chief Information Officer (CIO) or designee (Determining Official) and supported by the CO, CO's Representative (COR) and Technical Monitors, will meet annually to discuss and evaluate the contractor's performance in accordance with the Award Term Option Plan. (Attachment J-6 of the RFP).

The RFP for the EAST 2 procurement was released on March 5, 2015. This procurement was conducted as a full and open competition in accordance with Federal Acquisition Regulation (FAR) part 15, titled "Contracting by Negotiation." The Agency issued a total of seven (7) amendments to the RFP. These amendments answered questions from industry, refined instructions to the Offerors, and revised various sections of the solicitation. By the proposal due date of May 4, 2015, the following six Offerors submitted timely proposals:

- ASRC Federal Research and Technology Solutions (ARTS);
- eTouch Federal Systems (eTouch);
- CACI Enterprise Solutions, Inc (CACI);
- Science Applications International Corporation (SAIC);
- IBM Corporation (IBM); and
- Stinger Ghaffarian Technologies (SGT)

II. EVALUATION PROCEDURES

The Source Evaluation Board (SEB) included representatives from the MSFC, HQ Office of Human Capital Management (OHCM) and the NSSC. To assist in the evaluation, the SEB appointed evaluators and internal advisors with expertise in certain technical disciplines in order to provide assessments of strengths and weaknesses for each Offeror's proposal, as measured against the solicitation's evaluation factors and subfactors.

The EAST 2 solicitation set forth the three evaluation factors (**Mission Suitability**, **Cost** and **Past Performance**) and their relative importance, stating that all three factors are essentially equal in importance. When combined, **Mission Suitability** and **Past Performance** are significantly more important than **Cost**.

The solicitation also advised that the **Mission Suitability** factor is comprised of three subfactors, which are weighted as follows for a total of 1000 points:

Subfactor	Points
Management Approach	400
Technical Approach	500
Small Business Utilization	100
Total	**1000**

The SEB carefully reviewed each Offeror's proposal, identifying as applicable: significant strengths, strengths, weaknesses, significant weaknesses, and deficiencies, as documented in its findings. The SEB then assigned an adjectival rating and point value for each subfactor. The SEB then calculated the final point value for each Offeror for the Mission Suitability factor by adding

the point values for the three subfactors.

For the **Past Performance** factor, the RFP advised Offerors that relevancy will be assessed by considering: (1) types of services performed, (2) size and complexity of the contract, (3) subcontract management, and (4) customer relationship management. Findings were to be reported using an SEB consensus of strengths and weaknesses. Past Performance was evaluated using the following levels of confidence as defined in the NASA FAR Supplement (NFS) 1815.305(a)(2): Very High, High, Moderate, Low, Very Low, or Neutral. These ratings are further defined in the NFS.

Finally, for the **Cost** factor, the RFP advised Offerors that the adequacy, reasonableness, and realism of the cost proposal would be evaluated to determine the probable cost of doing business. The SEB was to perform a cost realism analysis (also known as an assessment of probable cost) by independently reviewing and evaluating each Offeror's proposed costs to determine if the estimated cost elements are realistic for the work to be performed; reflect a clear understanding of the Performance Work Statement (PWS) and all other RFP requirements; and are consistent with the unique methods of performance as described in the Offeror's Mission Suitability proposal. The SEB was also tasked with evaluating any cost reductions proposed over the life of the contract through continuous improvement initiatives resulting in reductions in labor costs, and/or other cost efficiencies/savings, without the potential for degradation to service or customer satisfaction. Unrealistic costs or cost elements were to be considered as part of the evaluation of an Offeror's Mission Suitability proposal, and such costs could impact the Offeror's ratings and numerical scores. The SEB was also required to assess cost confidence for its probable cost assessment; that is, the SEB was required to determine a confidence level that its evaluated probable cost (i.e., its best estimate of the cost a contract resulting from an Offeror's proposal) correlates to the actual costs that the Offeror would incur to successfully implement its proposal.

III. DISPOSITION AND EVALUATION OF INITIAL PROPOSALS

As described above, the SEB determined that all proposals were acceptable and then evaluated them in a manner consistent with the criteria identified in the RFP, as well as the instructions set forth in the EAST 2 Source Evaluation Plan. The SEB presented its initial findings to Mr. Larry Sweet, NASA Chief Information Officer (CIO), who at the time was the Source Selection Authority (SSA) and to me, in my capacity as Mr. Sweet's Deputy, on August 31, 2015. Based on those findings, the SSA concurred with the CO's determination to establish a competitive range of the most highly rated proposals, which were those submitted by CACI and SAIC. The proposals of ARTS, eTouch, IBM and SGT were not included in the competitive range because their proposals were not among the most highly rated. IBM and SGT received pre-award debriefings on September 15, 2015. ARTS and eTouch requested post-award debriefings.

By letters from the CO dated September 1, 2015, CACI and SAIC were advised that they were included in the competitive range. They were also provided with their respective weaknesses and clarification questions that the SEB had identified during the initial proposal evaluation. A due date of September 15, 2015 was established for the Offerors to respond. The letters also provided dates for oral discussions: September 22, 2015 (CACI) and September 23, 2015 (SAIC). All oral discussions were held as scheduled.

On September 24, 2015, the CO sent letters to CACI and SAIC requesting Final Proposal Revisions (FPRs) due by September 30, 2015. After receipt of these FPRs, the SEB evaluated them consistent with the evaluation factors in the RFP, FAR part 15, NFS part 1815, and the EAST 2 Source Evaluation Plan.

On Monday, September 28, 2015, Mr. Sweet stepped down from the CIO position ahead of his November 2015 retirement to allow time for a smooth and successful transition of leadership in the CIO's office. As a result, as the Agency's new CIO, I assumed the role of the SSA for the EAST 2 procurement.

IV. EVALUATION OF FINAL PROPOSAL REVISIONS

The final evaluation results of the Offerors' FPRs are summarized below:

Offeror	Mission Suitability Score	Past Performance Level of Confidence	Cost Confidence of Adjusted Contract Value
CACI	962	High	High Level of Confidence Highest Proposed Cost Government Adjusted Contract Value: Highest Proposed Cost
SAIC	952	Very High	High Level of Confidence Lowest Proposed Cost Government Adjusted Contract Value: Lowest Proposed Cost

CACI Enterprise Solutions, Inc.

Under the **Mission Suitability Factor**, CACI's proposal received an overall score of 962 points (out of a possible 1,000 points). Across three subfactors, CACI has no deficiencies, six significant strengths, 25 strengths,[1] no significant weaknesses, and no weaknesses.

[1] While each Offeror's separate strengths are not listed and described herein, in the Selection Decision (Section V) of this document, I discuss those qualitative aspects of each Offeror's proposals that warranted assignment of strengths to the extent those aspects either provide a basis of discrimination between the Offerors' proposals or otherwise impact my ultimate tradeoff analysis and selection decision.

Under the **Management Approach subfactor**, CACI received an adjectival rating of "Excellent," CACI received three significant strengths, 13 strengths, no significant weaknesses and no weaknesses. The three significant strengths were assigned for: (1) a highly qualified and experienced Program Manager (Key Personnel position); (2) a highly qualified and experienced Transformation/Portfolio Lead (Key Personnel position) and (3) a highly qualified and experienced Deputy Program Manager-Operations (Key Personnel).

Under the **Technical Approach subfactor**, CACI received an adjectival rating of "Excellent." CACI received two significant strengths, ten strengths, no significant weaknesses and no weaknesses. The two significant strengths were assigned for CACI's demonstrated knowledge of and capability to perform Application Portfolio Management (APM) across all Lines of Business (LOBs) and its proposed description of a thorough strategy for the transition of Center applications development and sustainment activities into the NASA Enterprise Applications Competency Center (NEACC) Operational Model.

Under the **Small Business Utilization subfactor**, CACI received an adjectival rating of "Excellent." CACI received one significant strength, two strengths, no significant weaknesses and no weaknesses. The significant strength was for CACI's proposed small business goal as a percentage of the Total Contract Value. CACI also meets or exceeds the goal for each small business socioeconomic category.

Under the **Past Performance factor**, CACI received a "High Level of Confidence" rating. CACI received one significant strength, four strengths, no significant weaknesses, and no weaknesses. The significant strength was assigned for its work as the prime contractor on the Command and Control Support Services (C4ISR) contract with the U.S. Navy's Space and Naval Warfare Systems Command (SPAWAR).

Under the **Cost factor**, CACI proposed the higher cost of the two Offerors in the competitive range. The SEB evaluated the cost on the adequacy, reasonableness, and realism to determine the probable cost of doing business. The SEB evaluated CACI's cost proposal (including indirect rates and fees), reviewing the cost impact of the proposed efficiencies discussed in its Mission Suitability proposal, which included its proposed staffing in Performance Work Statement (PWS) areas 2.0 and 5.0. This evaluation included, but was not limited to, a comparison of CACI's proposed cost to the Independent Government Cost Estimate (IGCE). The SEB accepted CACI's cost submitted in its FPR and did not adjust its proposed cost. The SEB concluded that it had a high level of confidence that CACI's probable cost (unadjusted) correlated very closely to the actual costs that CACI would incur to successfully implement its proposal.

Science Applications International Corporation (SAIC)

Under the **Mission Suitability factor**, SAIC received an overall score of 952 points (out of a possible 1,000 points). Across three subfactors, SAIC has one weakness, 13 significant strengths, 20 strengths,[2] and no significant weaknesses.

[2] See footnote 1 above.

Under the **Management Approach subfactor**, SAIC received an adjectival rating of "Excellent." SAIC received 11 significant strengths, ten strengths, no significant weaknesses and one weaknesses. The 11 significant strengths were assigned for all of the Offeror's Key Personnel (Program Manager, Technical Director-Deputy Program Manager, Solution Design Manager, Quality Assurance Manager, Business Manager, Operations Management Support Manager, Applications Functional Support Manager, Applications Development Manager, ATOM Manager, Information Assurance Manager and Cross Functional Integration/Center Transition Manager). Although SAIC received an overall "Excellent" rating, SAIC was assigned a weakness based upon its proposed staffing/skill sets identified for each service. The SEB determined this proposed approach in the area of staffing/skill set was not realistic as proposed. As such, the SEB determined that SAIC's approach introduced performance risk. This evaluation of SAIC's weakness in this area occurred in conjunction with its assessment of its probable cost.

Under the **Technical Approach subfactor**, SAIC received an adjectival rating of "Excellent." SAIC received one significant strength, eight strengths, no significant weaknesses and no weaknesses. The significant strength was assigned for its demonstrated knowledge, experience and capability to perform Application Portfolio Management (APM). SAIC proposes a phased process that is supported by its Portfolio Management Tool.

Under the **Small Business Utilization subfactor**, SAIC received an adjectival rating of "Excellent." SAIC received one significant strength, two strengths, no significant weaknesses and no weaknesses. The significant strength was for SAIC's proposed small business goal as a percentage of the Total Contract Value. SAIC also meets or exceeds the goal for each small business socioeconomic category.

Under the **Past Performance factor**, SAIC received a "Very High Level of Confidence" rating. SAIC received two significant strengths, three strengths, no significant weaknesses, and no weaknesses. The significant strengths were assigned to it as the incumbent prime contractor on the NASA Enterprise Applications Service Technologies (EAST) contract, as well as its work as the prime contract for the United States Army Human Resources Command (HRC) Information Support Order (ITSO) contract.

Under the **Cost factor**, SAIC proposed the lower cost of the two Offerors in the competitive range. The SEB evaluated the cost on the adequacy, reasonableness, and realism to determine the probable cost of doing business. The SEB evaluated SAIC's cost proposal (including indirect rates and fees), reviewing the cost impact of its proposed efficiencies discussed in its Mission Suitability proposal, which included its proposed staffing approach for PWS areas 2.0 and 5.0. This evaluation included, but was not limited to, a comparison of SAIC's proposed costs to the IGCE. The SEB determined that SAIC's costs (particularly its costs associated with staffing) submitted in its FPR were unrealistically low and did not accept them as proposed. In accordance with the RFP, the SEB performed a cost realism analysis/assessment of probable cost. As a result of this analysis, the SEB upwardly adjusted the cost associated with SAIC's proposal. Per the RFP, the SEB also assessed SAIC's understanding of the contract and its resource requirements, analyzing any technical impact of SAIC's proposed innovations and efficiencies and associated unrealistic staffing costs as part of its evaluation of SAIC's Mission Suitability proposal. After this assessment and adjustment, the SEB concluded that it had a high level of confidence that its probable cost

correlated very closely to the actual costs that SAIC would incur to successfully implement its proposal.

V. SELECTION DECISION

The SEB presented and discussed with me its evaluation findings for each Offeror's proposal, including descriptions of all significant strengths and strengths, as well as weaknesses that were not adequately addressed through discussions and FPRs. The findings that the SEB developed were detailed, consistent with the evaluation criteria in the RFP, and provided clear descriptions of the merits and risks of each proposal. I questioned the SEB with regard to key aspects of its evaluation methodology under each factor, as well as its rationale for the findings themselves. We discussed the scores and adjectival ratings for each proposal, the underlying strengths and weaknesses, and the basis for the strengths and weaknesses as assigned. I asked the SEB to explain the traceability of findings from the initial proposals to the FPRs. I asked this in order to ensure that I understood how weaknesses had or had not been addressed in the Offerors' FPRs.

Also, both during and after the presentation to me, I questioned the SEB as to the qualitative aspects of each Offeror's proposal that generated the SEB's findings in order to better determine how each Offeror's approach would impact EAST 2 contract performance, both in terms of technical merit as well as financial consequence to NASA. I carefully considered the findings against the evaluation criteria in the RFP, and exercised my independent judgment regarding the significance of the findings, as well as the discriminators I found between certain areas of the Offerors' proposals. I also solicited, received the opinions of, and considered the inputs of my senior advisers in their respective areas of expertise throughout this process.

I determined that the findings presented by the SEB, as documented in the presentation, were reasonable and valid for purposes of making my selection decision. I then analyzed more closely the SEB's findings, recognizing the language in Section M.3(f) of the RFP, which stated that all three evaluation factors (**Mission Suitability**, **Past Performance**, and **Cost**) are essentially equal in importance. When combined, **Mission Suitability** and **Past Performance** are significantly more important than **Cost**. I applied this rating method in making my selection decision.

Mission Suitability Factor

The SEB's evaluation of proposals under the **Mission Suitability** factor resulted in an overall numerical score of 962 for CACI and 952 for SAIC. I recognized this slight point difference (ten points on a 1,000 point scale) and CACI's slightly higher overall scores (both overall and in the individual subfactor areas).

For the **Management Approach subfactor** (worth 40% of the overall Mission Suitability evaluation credit), CACI and SAIC both received "Excellent" ratings. I reviewed the SEB's findings for both Offerors under the Management Approach subfactor evaluation, and noted a slight point advantage (four (4) points out of a possible 400) in CACI's favor for this subfactor. I then analyzed the reasons for each Offeror's scores and the reasons for the point differences. I concluded that the ratings and scores assigned to each of the Offeror's proposals under this subfactor were an accurate reflection of the SEB's underlying findings. CACI earned three

significant strengths, and SAIC earned 11, which are described above. I found that CACI's and SAIC's proposals provided very strong management approaches, demonstrating both their understanding of the requirements, as well as their respective management and organizational capabilities to implement their respective technical approaches in order to achieve optimal performance of the EAST 2 PWS. After my review, which included requests for additional information from the SEB as to each Offeror's Management Approach (which the SEB provided to me in the form of updated presentation materials on November 25, 2015), I concur with the SEB's assessment that CACI's approach was slightly higher rated than SAIC's approach. However, as discussed below, in my judgment, CACI's advantage was not due to any discriminating positive attribute of its proposal. Rather, this was because of the absence of any weaknesses (unlike SAIC, which received one weakness).

I first reviewed each Offeror's significant strengths for their respective key personnel. I noted that SAIC received a considerably higher number of significant strengths than did CACI in this area. I inquired further as to the SEB's rationale for its assignment of these significant strengths. I noted that while these exemplary ratings were assigned according to the individual qualifications of each Offeror's key personnel, the difference in the number of these findings was due to fundamental differences in each Offeror's organizational approach (i.e., Offerors proposed different numbers and roles of personnel that corresponded to their unique management approaches). Therefore, notwithstanding SAIC's higher number of significant strengths, I found both Offerors' key personnel, contained within each one's respective organizational configuration, to be of significant value to the Agency. Thus, I determined that a discriminator did not exist between the Offerors in this regard.

I then reviewed each Offeror's strengths pertaining to their respective approaches under the Management Approach subfactor. I determined that many of these strengths were similar as between both Offerors. For instance, both Offerors received a strength for their respective plans to integrate teaming partners as part of their overall management of contract performance. After my review, while I considered each Offeror's strengths (both individually and in their aggregate) to be value-added, I found that none of them represented a distinguishing feature of either Offeror's proposal or otherwise set one Offeror apart from the other.

Finally, I observed that SAIC received one weakness under this subfactor because the SEB determined that SAIC's proposed staffing/skill sets were not realistic for the implementation of services that SAIC proposed. Specifically, the SEB assigned SAIC a weakness for its proposed approach to achieve efficiencies associated with various reductions in staffing which will occur after the introduction and implementation of various technical innovations beginning in Year 1 of the contract. SAIC's staffing approach relied upon the implementation of these innovations and efficiencies (themselves evaluated as part of SAIC's Technical Approach) in order to achieve targeted staffing reductions, some of which are unique to SAIC's proposal. CACI proposed its own innovative techniques and efficiencies, and many of them were the same or substantially similar to SAIC's. However, CACI did not receive any weaknesses under its Management Approach. I consulted further with the SEB regarding its rationale for these differences in findings between the Offerors. In essence, the SEB was concerned with the magnitude of SAIC's proposed work year equivalents (WYE) reductions resulting from some of its proposed innovations as applied to the various EAST 2 Lines of Business (LOBs).

I understood and concurred with the SEB's assigned weakness. The SEB was not of the opinion that ***any*** reductions resulting from innovative techniques or processes were inherently risk-laden (indeed, as previously mentioned, CACI also proposed staffing reductions). Moreover, the SEB did not take issue with SAIC's innovations themselves (and in fact, evaluated them as a positive attribute in SAIC's proposed Technical Approach, as discussed below). However, the SEB's principal concern was that SAIC's proposal lacked sufficient explanation and detail. Particularly, the SEB was concerned about the adequacy of SAIC's justification for its proposed use of innovations to achieve reduced staff costs when these innovations are implemented on NASA-specific applications, the Agency's complex environments, and its various LOBs. For example, while the SEB understood from SAIC's proposal how SAIC would implement its staffing reductions associated with certain innovations in certain PWS areas, those same reductions applied in other areas of performance were not explained to a degree that satisfied the SEB. On the other hand, CACI did not receive a weakness in this area because its staffing approach to be implemented using its own innovative and efficiency-creating techniques adequately described its rationale for more gradual staffing reductions across the life of the EAST 2 contract.

Nevertheless, the SEB explained that SAIC's one weakness is not significant and does not indicate any misunderstanding on SAIC's part to perform the EAST 2 scope of work. Nor does this weakness indicate that SAIC lacks the knowledge and ability to apply its innovative techniques to EAST 2 in order to achieve efficiencies. Pursuant to the RFP's evaluation criteria, while the SEB found the potential for performance risk in this area of SAIC's staffing approach under the Management Approach subfactor, it explained that this assessment factored heavily into its cost realism evaluation/probable cost adjustment under the Cost evaluation factor (discussed below). According to the SEB, this probable cost adjustment in the area of SAIC's staffing approach represented its attempt to assign cost risk to SAIC's Management Approach. I concurred with the SEB's assessment of performance risk in this area, as well as their efforts to quantify this potential risk.

After assessing the Management Approach weakness for SAIC's staffing approach, and in order to further gauge the potential for performance risk associated with this approach, I reviewed other portions of the SEB's evaluation of SAIC's proposal.[3] My intention was to examine SAIC's ability to implement its innovations through the lens of its overall evaluated ability to perform the EAST 2 contract. In particular, I noted that SAIC received three strengths under its Management Approach that relate to the issue of efficiencies and corresponding staffing reductions. The first one was for SAIC's integrated planning, executing, controlling, and reporting of contract activities supporting the EAST 2 work. SAIC was found to have the ability to measure performance variation, cost and schedule baselines, and to provide oversight, tools, analysis, communication and information on contract progress. This attribute of SAIC's proposal will, in my view, assist SAIC as it implements its efficiencies and institutes its proposed staffing reductions in order to address any potential shortfalls that might occur well before performance is impacted. Similarly, SAIC received a second strength for its strategy for controlling costs throughout the life of the

[3] Because of the nature of the concern with SAIC's innovative and efficiency-creating proposal, these aspects were not limited to SAIC's Management Approach. However, I only discuss the aspects associated with SAIC's Management Approach in this section of my selection decision. Other aspects are discussed under the respective evaluation criteria and in my tradeoff analysis.

contract – enabling early identification of potential cost problems. As such, if SAIC were to forecast possible additional personnel costs associated with its efficiencies, SAIC should be able to do so early enough in contract performance to make alternative arrangements and to avoid gaps in service. Finally, SAIC received a third strength for its approach to preventing loss of critical skills and avoiding single failure points. This proposed approach to ensuring skills and competencies are retained throughout the life of the EAST 2 contract will help SAIC mitigate performance risk associated with staffing reductions.

After further consultation with and careful consideration of the SEB's rationale for SAIC's staffing weakness (compared to its evaluation of CACI's proposed staffing reductions), I have determined that this weakness can be monitored and adequately managed during contract performance, and in all likelihood will not have a negative impact on contract performance. Furthermore, the SEB made an effort to "monetize" SAIC's risk by way of its cost realism analysis/assessment of probable cost. My assessment of the SEB's cost evaluation is discussed below.

Based upon all of the above, I conclude that both Offerors provided very strong Management Approaches. Although though both CACI and SAIC received the same adjectival rating for Management Approach ("Excellent"), CACI had a slightly higher point score for this subfactor, which is supported by the positive qualitative attributes (and lack of a weakness) in its proposed Management Approach. This gives CACI a slight advantage over SAIC in this area. However, while CACI's approach is very strong, I have determined that it would only provide marginal additional benefit to NASA when compared to SAIC's leaner, more cost-effective (but also riskier) approach. As such, I did not find that CACI's approach distinguished itself in an appreciable way as compared to SAIC's approach. In fact, I consider SAIC's approach to more aggressively reduce staffing and costs to be valuable to NASA.

For the **Technical Approach subfactor** (worth 50% of the Mission Suitability evaluation credit), CACI and SAIC both received "Excellent" ratings. I reviewed the SEB's findings for both Offerors under the Technical Approach subfactor evaluation, and noted a slight point advantage (five (5) points out of a possible 500) in CACI's favor for this subfactor. I then reviewed the evaluation findings supporting each Offeror's scores and the reasons for the point differences. Where necessary, I requested additional input and explanation from the SEB.

I note that CACI earned two significant strengths in this area, and SAIC earned one. The precise nature of these significant strengths is described below. As a result of my detailed review, I concluded that the ratings and scores assigned to each of the Offeror's proposals under this subfactor were an accurate reflection of the SEB's underlying findings. I found that both proposals provided very strong technical approaches demonstrating their respective understanding of and capability to complete the requirements in the EAST 2 PWS. However, I found that CACI's proposal distinguished itself over SAIC's proposal in this area.

CACI's two significant strengths were assigned for its demonstrated knowledge of and capability to perform Application Portfolio Management (APM) across all LOBs and its proposed description of a thorough strategy for the transition of Center applications development and sustainment activities into the NEACC Operational Model. SAIC's significant strength was assigned for its demonstrated knowledge, experience and capability to perform APM. Since both Offerors

received a significant strength for their unique APM approaches, this did not represent a discriminator between the two. However, I did find CACI's proposed description of a thorough strategy for the transition of Center applications development and sustainment activities into the NEACC Operational Model to be a discriminator because this strategy is valuable for the Agency as a component of successful EAST 2 contract performance. However, I noted that this advantage is slight. SAIC also received a strength (but not a significant strength) for its knowledge of and capability to provide transitional support for Center applications, as well as for its unifying strategy for operational processes to support both Enterprise and Center applications. I find that the additional benefit provided by CACI's approach to transitional support is of value to NASA. However, I conclude that this additional benefit is not substantial when compared to SAIC's strong approach in this area.

I also acknowledged that both CACI and SAIC were assigned numerous strengths pertaining to their respective Technical Approaches. However, I determined that at least in some cases, these strengths were for similar aspects of the Offerors' technical proposals and none of them (either individually or in the aggregate) represented a distinguishing feature or otherwise set one Offeror apart from the other. Nevertheless, I did find there to be a difference in the manner in which the Offerors proposed to implement the various innovations and efficiency-gaining techniques described in their respective Technical Approaches.

On the one hand, SAIC proposed a Technical Approach that included numerous innovations that are of potential value to the Agency. On the other hand, CACI also proposed efficiencies that were substantially similar to those proposed by SAIC. However, a key difference between the Offerors in this respect is that as applied, CACI's approach results in a more gradual gain in efficiencies in staffing than does SAIC's approach. In particular, and as discussed in detail above, SAIC received one weakness under the Management Approach subfactor for the proposed effect on staffing resulting from its efficiencies and innovations. However, under its Technical Approach evaluation, SAIC received a strength for these "well thought-out" innovations, including its tracking and monitoring processes. In its Technical Approach, SAIC also received a strength for its demonstrated knowledge and approach to Software Lifecycle Management, the key design components of which included these same "well thought-out" innovative solutions. Finally, in its Technical Approach, SAIC received a strength for its demonstrated knowledge and capability to provide business continuity and availability during unexpected surge times requiring additional performance. In my opinion, the strengths in this area bolster my opinion that any potential staffing risk associated with the Management Approach weakness can be adequately mitigated during contract performance. As stated above, I find SAIC's more aggressive application of its various innovations and efficiencies to be of value to NASA. While this aspect of SAIC's Technical Approach does not render it technically superior to CACI's approach, I determine that SAIC's innovative approach is a discriminating feature of its proposal as compared to CACI.

Based on the above, I conclude that overall, both Offerors presented Technical Approaches that were very strong. As such, I note that even though both CACI and SAIC received the same adjectival rating for Technical Approach ("Excellent"), CACI had a slightly higher point score for this subfactor. I viewed these point scores to be justified based on the SEB's underlying findings. I conclude that CACI's Technical Approach offers the superior solution as between the two Offerors. However, I find that this advantage provided by CACI is not substantial.

The third and last subfactor under the Mission Suitability evaluation factor is **Small Business Utilization**. It is important on a large support contract such as EAST 2 to ensure continued small business participation. Both Offerors had "Excellent" proposals for small business subcontracting, and each earned one significant strength in this subfactor for their respective commitments to small business utilization. CACI's overall score was 99, while SAIC's score was 98 (on a 100 point scale). I inquired as to the one point difference in Offerors' scores and was satisfied that this difference (which concerned a difference between the Offerors as to the total contract dollar values for small businesses) was not notable for purposes of source selection. I concluded that the ratings and scores assigned to each of the Offeror's proposals under this subfactor were an accurate reflection of the SEB's underlying findings. Thus, given both Offerors' exceptionally strong commitments to small business utilization, I concluded that there were not any meaningful discriminators in this area.

Past Performance Factor

The SEB's evaluation of **Past Performance** resulted in a "Very High" Level of Confidence rating for SAIC and a "High" Level of Confidence rating for CACI. I concurred with the SEB's evaluation of each Offeror's Past Performance and its assignment of ratings in this area based on the underlying findings. SAIC received two significant strengths in this area, and CACI received one. I agree with the SEB's findings and its ratings for this factor. I note that SAIC's significant strengths were assigned for its work as the prime contractor on the NASA EAST contract and for its work as the prime contractor on the United States Army Human Resources Command (HRC) Information Support Order (ITSO) contract. CACI's significant strength was assigned for its work as the prime contractor on the Command and Control Support Services (C4ISR) contract with the Navy's Space and Naval Warfare Systems Command (SPAWAR). I also acknowledged that SAIC and CACI were assigned strengths pertaining to their Past Performance. However, I determined that none of these strengths represented a distinguishing feature between the Offerors' proposals.

After a comparative analysis of SAIC's and CACI's Past Performance, I concluded that while I am very confident in CACI's demonstrated ability to perform EAST 2-related services, SAIC's past performance was superior and I am measurably more confident in SAIC's ability, given its wealth of experience in this area, and its successful performance of the most relevant possible work (the initial EAST contract) – work that comprises a majority of the scope of the EAST 2 requirement. Specifically, I was impressed with SAIC's wealth of experience applying its expertise and project management resources to numerous maintenance and development services of the scale, nature, and complexity as NASA requires in EAST 2. SAIC's demonstrated ability to manage complex development and application and system consolidations projects and its demonstrated success in doing so on schedule and within budget is of significant value to NASA. This demonstrates to me that SAIC has a command of its proposed application of its innovations, and that SAIC will be able to identify and address any shortfalls in performance (including those due to any implemented or proposed staffing reductions) and to effectively remedy any issues that may arise in a timely manner.

Cost Factor

I reviewed the SEB's evaluation findings for each Offeror under the Cost Factor. Most notably, I examined the SEB's evaluation of the realism of each Offeror's labor costs and the SEB's

assessment of a most probable/adjusted cost (or lack thereof) for the Offerors. CACI had the higher total evaluated contract value (cost plus fee), while SAIC had the lower.

For CACI, I noted that the SEB reviewed its proposal in accordance with the RFP criteria, including its evaluation of the realism of CACI's proposed costs. I noted that the SEB determined CACI's proposed labor rates and escalation rates to be realistic. Additionally, I noted that CACI proposed staffing/skill mix reductions associated with the implementation of various efficiencies, but that these reductions (and the costs associated with them) were less significant and more gradual when compared to the reductions proposed by SAIC. Moreover, CACI's staffing reductions were more in line with the IGCE. Thus, the SEB concluded that CACI's labor costs associated with its proposed efficiency-gaining approach were realistic and did not require adjustment.

For SAIC, I note that while the SEB determined SAIC's proposed labor rates and escalation rates to be realistic, the SEB determined that SAIC's costs for its staffing/skill mix were unrealistic, and therefore, a probable cost assessment was required. The SEB adjusted SAIC's costs upward, and the difference between SAIC's adjusted value and CACI's proposed cost (which the SEB did not adjust) was very slight. The SEB's cost assessment occurred in conjunction with and was impacted by the evaluation of SAIC's one weakness for its reduced staffing approach under the Management Approach subfactor. I endeavored to understand the SEB's rationale for these upward adjustments, which concerned SAIC's proposed efficiencies in the form of staffing reductions to be accomplished as SAIC implements certain innovations as part of its Technical Approach to the EAST 2 scope of work.

The SEB did not conduct this assessment based upon a premise that SAIC's innovations were fundamentally infeasible to apply. Rather, I note that the underlying reason for a majority of the SEB's adjustments stemmed from what the SEB perceived to be an inadequate explanation in SAIC's proposal as to how its innovations would be applied to achieve significant staffing reductions (and commensurate reductions in labor costs) across the scope of the EAST 2 contract. The SEB explained that it raised this concern with SAIC during discussions, but SAIC did not fully address this concern in its FPR. Therefore, the SEB determined that a probable cost adjustment was required. I then asked the SEB to explain its process for conducting its probable cost assessment. The SEB provided this additional information to me orally during a telephonic meeting on December 16, 2015.

The SEB stated that it reviewed SAIC's Technical Approach, alongside its proposed staffing plan and its basis of estimate (BOE) in order to better understand SAIC's resource reductions by labor category and contract year. In those PWS functional areas where the SEB concluded that SAIC had fully substantiated the impact of its innovations, the SEB credited SAIC's reductions and did not make any upward cost adjustments associated with staffing. However, in those PWS functional areas where the SEB concluded that SAIC had not fully substantiated the impact of its innovations, the SEB did not credit SAIC's reduced costs associated with its proposed reductions. As such, SAIC's adjusted labor costs reflected SAIC's staffing approach in an unreduced state (i.e., the initial staffing levels proposed and sustained at such levels throughout the life of the contract). For example, in its FPR, SAIC proposed staffing reductions for an innovation based upon a similar reduction accomplished on a previous NASA contract. The SEB determined that SAIC's

substantiation was not sufficient, and added back all the labor costs that SAIC proposed to save by those reductions. This had the effect of negating much of the cost savings that SAIC had proposed in this area. The SEB also applied this same rationale to other SAIC innovations. In particular, after concluding that SAIC had not provided sufficient explanation justifying the application of and benefit to NASA of certain other innovations across a majority of the EAST 2 LOBs and towards NASA-specific applications, the SEB upwardly adjusted labor costs associated with a substantial portion of SAIC's proposed reductions back to the staffing levels SAIC initially proposed throughout the life of the EAST 2 contract.

I asked the SEB if it believed that ***any*** reductions were possible in these areas, notwithstanding that SAIC did not offer a detailed explanation. The SEB responded that this was certainly a possibility, but explained that it could not speculate as to the actual number of reductions (and the cost impact, if any) without more information from the Offeror as to how each innovation would actually be implemented. The SEB was confident in the accuracy of the actual adjusted amount of SAIC's labor costs (which led to its High cost confidence rating).

Recognizing the SEB's discretion in the area of cost realism, and after thoroughly reviewing the results of the SEB's assessment, I have no basis to disagree with the SEB's rationale for its decision to conduct its probable cost assessment, nor its methodology for upwardly adjusting amounts related to SAIC's proposed staffing reductions. I also did not endeavor to conduct my own cost realism evaluation for SAIC's staffing approach. Nevertheless, I question the SEB's assumption that no additional reductions would be possible at all for other areas of the PWS because SAIC had not provided enough detail in its proposal with respect to these reductions. As such, I consider the magnitude of the SEB's upward adjustment to represent a very conservative estimate of financial risk to the Agency. I note there exists at least a possibility for additional cost savings to the extent SAIC is successful in applying its innovative techniques, though such savings currently cannot be quantified. Thus, while I cannot place undue weight upon any additional cost savings that are speculative, I remain confident in SAIC's ability to achieve such savings by way of its proposed approach. I conclude that even accounting for its upward adjustment, SAIC's approach would achieve a cost savings for NASA – albeit a minimal one – over CACI's overall proposed price. This provided a slight advantage in favor of SAIC for this factor with the potential for an even greater advantage that could be realized during contract performance.

Best Value Tradeoff Analysis

Again, as stated in the RFP, the Government is seeking to award the EAST 2 contract to the Offeror whose proposal is most advantageous to the Government, cost and other factors considered. Section M.3(f) of the RFP states that "all three evaluation factors are essentially equal in importance. When combined, Mission Suitability and Past Performance are significantly more important than Cost."

I have considered the immense importance of this contract for continued Agency functioning and mission success. After careful consideration of: the evaluation factors for award; the totality of the Offerors' proposals; my detailed review of the SEB's findings under each functional evaluation criterion; and additional input and explanations provided by the SEB in key areas of evaluation, I find that both Offerors submitted exceptionally strong proposed solutions to the EAST 2 effort. As

such, I am quite confident in both Offerors' ability to perform the scope of work in this case. However, given that each evaluation factor (Mission Suitability, Past Performance, and Cost) is equally important, I conclude that overall SAIC provides the best value to NASA.

On balance, I found that for the Mission Suitability factor, CACI had a slight advantage over SAIC in both the Management Approach and Technical Approach subfactors. However, notwithstanding this slight advantage, the major differentiator between CACI's approach and that of SAIC concerns a fundamental difference in the manner in which each Offeror intends to implement various innovative techniques and then execute such techniques in order to achieve more efficient operations that will optimize performance and result in cost savings to NASA. On the one hand, CACI's proposal does not have the same performance risk potential as does SAIC's. This is primarily because CACI's Management Approach, while excellent, is more modest in terms of the impact of its efficiencies on staffing. CACI's Technical Approach is likewise excellent, but not significantly stronger than SAIC's. On the other hand, I completely agree with the SEB's view that SAIC's proposed innovations (both on their face and as applied) are value-added, notwithstanding the SEB's concerns that they lead to more drastic proposed staffing reductions.

I recognize that there is necessarily a risk associated with any innovation, especially in the field of information technology (IT). This is particularly true for an approach that proposes to apply a paradigm-shifting solution for a federal agency. I recognize that SAIC's proposed staffing reductions are aggressive, and that SAIC's proposal did not include enough detail to demonstrate, in the SEB's judgment, the success of this approach in terms of reducing personnel costs in these complex environments. As such, I fully acknowledge this risk associated with SAIC's proposed innovations. However, I view SAIC's approach to be just the kind of forward-leaning solution the Agency needs at this time. It presents an ideal opportunity for SAIC to apply its demonstrated and well-established technical expertise to achieve as many efficiencies and as much cost savings to the Government as its approach will allow. Particularly, I credit SAIC's demonstrated command of planning, executing, and controlling contract activities, including its strategy to control costs and to avoid loss of critical skills and single failure points in the contract performance. Moreover, SAIC's exceptional past performance executing these activities on numerous occasions and on a scale and complexity akin to NASA's EAST 2 effort in complex environments with proven success reinforces my confidence in its ability to perform. These considerations allay my concern with respect to any performance risk associated with its reduced staffing.

I note that even with the SEB's probable cost assessment, wherein SAIC is unable to reduce staffing associated with the application of its various innovations to the levels proposed in all areas of the PWS, SAIC's proposal still results in a slightly overall cost advantage to the Agency over CACI's proposal. Since EAST 2 is a cost-type contract, I recognize that the cost risk is ultimately NASA's to bear. As such, I understand that the SEB's cost realism evaluation effectively negated much of SAIC's cost advantage. I understand the SEB's rationale in doing so, which the SEB explained was its means of "monetizing" the risk associated with any possible shortfalls in performance related to SAIC's staffing reductions. However, notwithstanding the SEB's confidence in its adjustment, I believe its methodology did not account for the potential existence of additional cost savings for NASA during contract performance if SAIC is successful (even minimally so) in reducing staffing from current proposed levels in the areas in question. While I recognize that the precise amount of such savings is uncertain and may not be realized, I believe

that SAIC's proposal is value-added for the Agency. Moreover, any impacts to performance or additional costs that SAIC attempts to pass on to NASA will factor heavily in the Agency's performance fee determinations, its award term option decisions, and in its past performance ratings under this contract. Thus, SAIC has a vested interest in successful implementation of its proposed lean and innovative approach.

In conclusion, I choose not to pay a known higher cost for CACI's slightly higher-rated Mission Suitability proposal that is more gradual in its implementation of efficiencies and less aggressive in its reduction of labor costs, especially since CACI has not previously fulfilled these particular NASA requirements. Rather, given SAIC's exemplary Past Performance in this area, I am willing to accept some amount of performance risk associated with its Management Approach because in my judgment, doing so will provide SAIC an opportunity to potentially maximize additional savings for NASA, to the extent such savings are possible. Therefore, select SAIC as the best value to NASA for award of the EAST 2 contract.

SIGNED

Renee P. Wynn
NASA Chief Information Officer
Source Selection Authority

December 23, 2015
Date