

Application Services Market Research Report

The NETCENTS-2 Application Services acquisition provides a vehicle for customers to access a wide range of services such as sustainment, migration, integration, training, help desk support, testing and operational support. Other services include, but are not limited to, exposing data from Authoritative Data Sources (ADS) to support web-services or Service Oriented Architecture (SOA) constructs in AF enterprise environments. Through this vehicle, the contractor shall develop content delivery and presentation services and new mission applications that operate in netcentric enterprise environments that exploit SOA infrastructures. This contract shall support legacy system sustainment, migration and the development of new mission capabilities and applications. The focus of this contract is to provide application services support to mission areas, as overseen by portfolio managers, Communities of Interest (COIs), project offices, and program offices.

The acquisition was a small business set-aside. The NAICS code for this acquisition is 541511, Custom Computer Programming Service with a size standard of less than \$25M average annual revenue.

Contracting Officers utilizing the ID/IQ contracts can accelerate their acquisition processes using this document as part of their Market Research required by FAR Part 10. Re-validation of the contract holder's qualifications need not be conducted.

A. The basis of the Indefinite Delivery/Indefinite Quantity (ID/IQ) contract award consisted of the Government conducting a full and open competition utilizing the Performance Price Tradeoff (PPT) source selection procedures, with technical proposals, to make an integrated assessment for a best value award decision consistent with the PPT methodology. This was a competitive source selection conducted in accordance with Air Force Federal Acquisition Regulation Supplement (AFFARS) 5315.3, Source Selection, as supplemented by Informational Guidance (IG) 5315.101-1, Performance Price Tradeoffs, in which competing offerors' past performance history was evaluated as significantly more important than cost or price; however, cost/price contributed substantially to the selection decision. Tradeoffs were made only between price and past performance among those offerors who had been determined technically acceptable. Award was made to the offerors who were deemed responsible in accordance with the FAR Part 9, as supplemented, whose proposal conformed to the solicitation's requirements (to include all stated terms, conditions, representations, certifications, and all other information required by Section L of the solicitation) and was judged, based on the evaluation factors and subfactors that represented the best value to the Government. The Government awarded to the offerors who gave the Air Force the greatest confidence that they would best meet the requirements. This resulted in some awards being made to a higher rated, higher priced offeror; where the decision was consistent with the evaluation factors, and the Source Selection Authority (SSA) reasonably determined that the technically acceptable, superior past performance of the higher priced offerors outweighed the cost or price difference.

B. All awardees were rated with a Substantial or Satisfactory Past Performance Confidence Assessment. Nine of the 12 awardees provided certificates for being appraised at Maturity Level 3 for SCAMPI Method A and 3 awardees provided documentation describing their salient Systems Engineering (SE) processes and incorporation of automated processes and tools in their SE processes.

C. The overall evaluation process proceeded as follows:

1. Technical Acceptability. Initially, the Government technical evaluation team evaluated the technical proposals on a pass/fail basis, assigning ratings of Acceptable, Reasonably Susceptible of Being Made Acceptable, or Unacceptable. A proposal was rated "acceptable" when the evaluation team determined that all technical criteria had been met by the offeror's proposal. A proposal was rated "reasonably susceptible to being made acceptable" when the proposal did not clearly meet some specified technical criteria necessary for acceptable contract performance, but there was reason to believe that through minor revisions, an acceptable proposal could have resulted. A proposal was rated "unacceptable" when the evaluation team determined that one or more technical criteria had not been met by the offeror's proposal and could not be met without significant modification to the proposal. In making the awards, all offerors were either rated Acceptable or Unacceptable. The technical proposals were evaluated against the following subfactors:

Subfactor 1: Quality Processes

Subfactor 2: Test Support (Cost Reimbursable Sample Task Order)

Subfactor 3: Systems Sustainment (Firm Fixed Price Sample Task Order)

Subfactor 4: Web Service Development

Subfactor 5: Management Approach

2. Performance Confidence Assessment. The Performance Confidence Assessment Group (PCAG) conducted an in-depth review of all Technically Acceptable and Reasonably Susceptible of Being Made Acceptable offers. The PCAG evaluated all recent and relevant past performance data provided to determine the quality of the work performed. The result of that evaluation led to a confidence rating for each offeror.

3. Cost/Price Evaluation. The Government ranked all Technically Acceptable offers by Total Evaluated Price (TEP), including option prices. The price evaluation documented the reasonableness of the Firm Fixed Price Sample Task Order (TO), the fully burdened Labor Hour rates, and the proposed Total Evaluated Price (TEP). The price evaluation also documented the realism and reasonableness of the Cost Reimbursable Sample TO.

D. The awardees technical acceptability was evaluated as follows:

The Government evaluated each offeror's technical proposal on a pass/fail basis to ensure fulfillment of the following requirements specified in the solicitation:

1. Subfactor 1 - Quality Processes

The offeror provided proof of certification:

(a) Certification (copy of certificate with initial proposal submission) of being appraised at Level 2 (or higher) for Capability Maturity Model (CMM), Capability Maturity Model Integration (CMMI), or CMMI Development using the Software Engineering Institute's (SEI) Standard CMMI Appraisal Method for Process Improvement (SCAMPI) (Method A)

(b) Conducted by an SEI-authorized lead appraiser

(c) Is in the name of the prime offeror's organizational level performing the contract, and

(d) Dated within last 3 years and shall be valid at time of award.

If not SEI appraised, acceptable documentation shall describe all salient SE processes, including requirements management, configuration management, development of specifications, definition and illustration of architectures and interfaces, design, test and evaluation/verification and validation, deployment and maintenance.

If not SEI appraised, the offeror shall also provide evidence of the incorporation of automated processes and tools utilized in the Offeror's SE processes.

2. Subfactor 2 - Test Support Cost Reimbursable Sample Task Order

The offeror provided a proposal for providing test support to existing information systems throughout the Air Force Enterprise, addressing the following test support activities:

(a) Test management and evaluation to include describing methods and processes for:

- (1) Providing and supporting development test and evaluation IAW AFI 99-103 Capabilities-Based Test and Evaluation paragraph 2.2. and 2.3 requirements
- (2) Preparation, setup and conducting independent testing;
- (3) Defect tracking and documentation of results.

(b) Providing support to Responsible Test Organization (RTO)/Participating Test Organization (PTO) to include describing methods and processes for:

- (1) Providing technical expertise to support the planning, management and conduct of Government DT&E and integrated testing IAW AFI 99-103 Capabilities-Based Test and Evaluation, paragraphs 3.14;
- (2) Providing technical input to the Program Management Office (PMO) in the preparation of program documentation, analyses and studies;

(c) Test execution to include describing methods and processes for:

- (1) Creating test scripts;
- (2) Conducting and supporting system tests;
- (3) Preparation, setup and conduct of integration testing;

- (4) Preparation, setup and conduct of interoperability testing;
- (5) Preparation, setup and conduct of functional testing;
- (6) Use/configuration of automated tools, such as but not limited to, HP/Mercury Tool Suite, Team Track, and QuickTestPro;
- (7) Documenting testing progress and results in reports.

(d) Test environment management to include describing methods and processes for:

- (1) Loading application software, performing systems administration and database management for test resources;
- (2) Analyzing and making recommendations for hardware and software enhancements in the test environment;
- (3) Maintaining, configuring and/or modifying automated test tools, such as but not limited to, Quality Center, Team Track, and HP/Mercury Tool Suite.

(e) Ensuring applications are developed IAW guidance provided in the Office of Management and Budget (OMB) Memorandum dated August 11, 2008, subject "Guidance on the Federal Desktop Core Configuration (FDCC)" to Include:

- (1) Methods and processes for ensuring the configuration, installation, and function of standard desktop software is accomplished IAW guidance provided in the Office of Management and Budget (OMB) Memorandum dated August 11, 2008, subject "Guidance on the Federal Desktop Core Configuration (FDCC)";
- (2) Methods and processes for the deployment of software using tools such as System Center Configuration Manager (SCCM), Systems Management Server (SMS), Operating System Deployment/User State Migration Tool (OSD/USMT), and manual wipe and load.

(f) Evaluated the knowledge, abilities and skills, to include skill levels, and products needed to accomplish the requirements identified in the task order. Evaluated the mix of labor categories with total proposed hours summarized by labor category to ensure it was appropriate and adequate to perform all the requirements of the sample task order.

3. Subfactor 3 – Systems Sustainment Firm Fixed Price Sample Task Order

The offeror provided a proposal for providing systems sustainment support to existing information systems within development and operational environments at bases of the 123rd Mission Support Wing as described in the Systems Sustainment sample task order. The offeror proposed methodologies, processes,

tools and techniques for maintaining and ensuring interoperability, security, and performance of systems within development and operational environments.

The offeror's proposal addressed performing the following system sustainment activities:

- (a) Methods and processes for requirements development and management.
- (b) Developing and maintaining software components according to a systems engineering approach that is IAW guidance provided in the Office of Management and Budget (OMB) Memorandum dated August 11, 2008, subject "Guidance on the Federal Desktop Core Configuration (FDCC) and includes appropriate configuration management to include methods and processes to identify, control, monitor, verify and manage software configuration items.
- (c) Methods and processes for implementing system changes, for risk management, for data management and interface management.
- (d) Documenting and testing software and system components IAW AFI 99-103 Capabilities-Based Test and Evaluation, paragraphs 7.2. and 7.3.
- (e) Processes and procedures for performing regression testing of the entire system for each upgrade or patch.
- (f) Methods and processes for preparing test data and scripts IAW AFI 99-103, paragraph 2.2 and methods and processes for conducting testing IAW test plans for the application, database, operating system, and the effects of load and stress IAW test plans.
- (g) Distributing software modifications or minor enhancements to include version control IAW AFI 33-114 Software Management, paragraphs 10.3, 11.1.2, 12 and 13.
- (h) Offeror's proposal must describe their methods and process for supporting electronic distribution of software, documentation, and supporting materials.
- (i) Tier 1, Tier 2 and Tier 3 help desk support 24-hours a day, 7-days a week, 365 days a year.
- (j) Offeror's proposal must describe their methods and processes for providing patch management support, providing technical assistance, order processing, support of multiple software versions, warranty and maintenance, and for reporting deficiencies in software and hardware, to include resolving and closing deficiency reports.
- (k) Evaluated the knowledge, abilities and skills, to include skill levels, and products needed to accomplish the requirements identified in the task order. Evaluated the mix of labor categories with total proposed hours

summarized by labor category to ensure it was appropriate and adequate to perform all the requirements of the sample task order.

4. Subfactor 4 – Web Service Development

The offeror described an approach to develop and maintain web services that enable sharing of business logic, data, and processes across networks, and provide specific end-user functionality across different applications in an enterprise. The offeror described the methodology and associated processes, tools, and techniques required to ensure lifecycle management, security, and performance of web services and to accomplish the following:

- (a) Preparing data for exposure as information asset payloads and development/use of XML schemas
- (b) Exposing data from modern, distributed, web-based applications for use in enterprise-wide services
- (c) Application of WS-Security Policies (WS-* standards) for providing security for web service control
- (d) Use of Simple Object Access Protocol (SOAP)
- (e) Development/use of Web Service Definition Language Documents (WSDLs)
- (f) Development/use of XML schemas
- (g) Use of Integrated Development Environments (IDEs) and other tools
- (h) Publishing services for Universal Description Discovery and Integration (UDDI)
- (i) Providing security for web service control, to include validation and verification
- (j) Utilizing Java and the J2EE platform to develop web services
- (k) Utilizing the .NET framework to develop web services

5. Subfactor 5 – Management Approach

The offeror described its management processes and how it ensured services and products providing an overarching, executable solution set, consistent with the proposed approach. Key focus area for evaluation were:

- (a) Staffing processes by which the offeror recruits highly qualified employees for the task orders, including a discussion of the offeror's approach to employee accession, retention, and professional growth; and the soundness and quality of the offeror's proposed process, ensuring

continuity of services during personnel absences due to sickness, leave and voluntary or involuntary termination from employment such that impact to the Government is minimal.

(b) Worldwide support processes, including an offeror's approach to bidding on and responding to task orders involving OCONUS locations; including personnel and timelines for proposal preparation activities in order to fulfill OCONUS task orders associated with the type of work described in the Application Services PWS.

E. The awardees past performance was evaluated as follows:

1. The Performance Confidence Assessment Group (PCAG) conducted an in-depth review and evaluation of all recent performance data provided and obtained from other sources to determine how relevant the work performed under those efforts was to the proposed effort. The PCAG verified past performance data identified by offerors in their proposals and obtained additional past performance data, if available, from other sources. The PCAG considered the offeror's, including subcontractors, joint ventures, and past performance in aggregate, in addition to an effort (contract) by effort basis. Commercial and Government past performance was treated on an equal basis.

2. The Past Performance evaluation considered the offeror's demonstrated record of performance in providing products and services that meet the Government's needs. Performance confidence was assessed at the overall Past Performance factor level after evaluating aspects of the offeror's recent past performance, focusing on the quality of the work performed and the relevancy to the acquisition. Each offeror received one of the performance confidence ratings below:

Rating	Description
Substantial Confidence	Based on the offeror's performance record, the government has a high expectation that the offeror will successfully perform the required effort.
Satisfactory Confidence	Based on the offeror's performance record, the government has an expectation that the offeror will successfully perform the required effort.
Limited Confidence	Based on the offeror's performance record, the government has a low expectation that the offeror will successfully perform the required effort.
No Confidence	Based on the offeror's performance record, the government has no expectation that the offeror will be able to successfully perform the

	required effort.
Unknown Confidence	No performance record is identifiable or the offeror's performance record is so sparse that no confidence assessment rating can be reasonably assigned.

3. To be recent, the effort had to be ongoing or had been performed during the past three (3) years from the date of issuance of this solicitation. However, only that portion of the performance that had been performed since the beginning of that window, to include any performance that continues through to contract award, was evaluated. Past performance information that failed this condition was not evaluated.

4. The following criteria were used to determine relevancy, however all aspects of performance that relate to this acquisition were considered:

Rating	Description
HIGHLY RELEVANT (HR)	Past/present performance effort involved essentially the same magnitude of effort and complexity this solicitation requires.
RELEVANT (R)	Past/present performance effort involved much of the magnitude of effort and complexity this solicitation requires.
SOMEWHAT RELEVANT (SR)	Past/present performance effort involved some of the magnitude of effort and complexity this solicitation requires.
NOT RELEVANT (NR)	Past/present performance effort did not involve any of the magnitude of effort and complexity this solicitation requires.

Criteria considered for magnitude and complexity included, but was not limited to, the criteria listed below. Within the areas listed below, the offeror should reference efforts that show worldwide support including OCONUS/overseas locations to have the greatest impact on the Performance Confidence Assessment. Other references will be accepted and may be considered relevant, but those showing worldwide support are preferred.

(a) Systems Sustainment

The Government evaluated the offeror's past effort for:

(1) Providing systems sustainment support to existing information systems within development and operational environments.

(2) Methodologies, processes, tools and techniques for maintaining and ensuring interoperability, security, and performance of systems within development and operational environments.

In regard to system sustainment activities the Government evaluated:

- (1) Requirements management
- (2) Developing and maintaining software components according to a systems engineering approach.
- (3) Documenting and testing software and system components.
- (4) Distributing software modifications or minor enhancements.
- (5) Providing continuous Tier 2 and Tier 3 Help Desk Support.
- (6) Using information assurance processes.

(b) Web Service Development

The Government evaluated the offeror's past efforts for:

(1) Developing and maintaining web services that enabled the sharing of business logic, data, and processes across networks, and provided specific end-user functionality across different applications in an enterprise.

(2) Methodologies, processes, tools and techniques used to ensure lifecycle management, security, and performance of web services and to accomplish the following:

- i. Preparing data for exposure as information asset payloads according to XML schemas
- ii. Exposing data from modern, distributed, web-based applications for use in enterprise-wide services
- iii. Application of WS-Security Policies (WS-* standards)
- iv. Use of Simple Object Access Protocol (SOAP)
- v. Development/use of Web Service Definition Language Documents (WSDLs)
- vi. Development/use of XML schemas
- vii. Use of Integrated Development Environments (IDEs) and other tools
- viii. Publishing services for Universal Description Discovery and Integration (UDDI)
- ix. Providing security for web service control, to include validation and verification
- x. Utilizing Java and the J2EE platform to develop web services
- xi. Utilizing the .NET framework to develop web services

(c) Management

The Government evaluated the offeror's past efforts for:

- (1) Contractor's overall ability to manage the contract to include the contractor's ability to achieve and maintain customer satisfaction, ability to manage subcontractors, and ability to comply with the terms and conditions of the contract.
- (2) Ability to staff appropriately to include staffing the right number of people at skill levels required to accomplish the mission, and ability to retain personnel.

(d) Cost

The Government evaluated the offeror's past efforts for:

- (1) Ability to meet forecasted costs and to perform within contract costs.
- (2) Sufficiency and timeliness of cost reporting along with their ability to alert the Government customer of any unforeseen costs before they occur.

Past performance citations that covered more of the relevancy criteria areas were preferred over those that covered less. The offeror provided as many citations as possible covering as many relevancy criteria areas as possible to have a greater impact on the Performance Confidence Assessment. The Government did not use in its assessment a past/present contract where performance could not be verified through the customer of that contract.

5. Performance Quality Assessment

The Government considered the performance quality of recent and relevant efforts. The quality assessment consisted of an evaluation of the past performance questionnaire responses, PPIRS information, Contractor Performance Assessment Reports (CPARS), interviews with Government customers and fee determining officials and, if applicable, commercial clients. Adverse past performance was defined as past performance information that supports a less than satisfactory rating on any evaluation element. For adverse information identified, the evaluation considered the number and severity of the problem(s), mitigating circumstances, and the effectiveness of corrective actions that have resulted in sustained improvements. Offerors were allowed to respond to adverse information, as defined above, to which they have not previously had the opportunity to respond.

Once the offeror's contract performance was determined to be recent and relevant the following rating definitions evaluate the overall quality performance.

Performance Quality Assessment Rating/Color	Description
EXCEPTIONAL (E)/BLUE	Performance meets contractual requirements and exceeds many. The contractual performance of the element or sub-element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor was highly effective.
VERY GOOD (VG)/PURPLE	Performance meets contractual requirements and exceeds some. The contractual performance of the element or sub-element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor was effective.
SATISFACTORY (S)/GREEN	Performance meets contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which corrective actions taken by the contractor appear or were satisfactory.
MARGINAL (M)/YELLOW	Performance does not meet some contractual requirements. The contractual performance of the element or sub-element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions. The contractor's proposed actions appear only marginally effective or were not fully implemented.
UNSATISFACTORY(U)/RED	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub-element contains a serious problem(s) for which the contractor's corrective actions appear or were ineffective.
NOT APPLICABLE (N)/WHITE	Unable to provide a rating. Contract did not include performance for this aspect. Do not know.