

Although some of the following documents are marked “Procurement Sensitive,” there does not appear to be any procurement sensitive information on the pages available here.

Kair, Lee R

From: Kair, Lee R
Sent: Monday, October 25, 2004 12:32 PM
To: Massie, Joe; Iovino, Peter A
Subject: RE: follow up.

Joe - I'm continue to be confused by this whole communications line. I defer to you and Peter if we would be better served to continue the dialogue, or leave it lay - particularly when Stevens' staffer is also cc:'d on this message.

The only commitment I made was to ensure there were no impediments in the language of the RFP around alternative proposals such that Chenega's alternative proposal would be evaluated fairly, and indicated that would happen immediately when we returned from the Hill.

I find it interesting that at the conclusion of the meeting, Mr. DeVore stated that he was pleased with the meeting and that he heard a "yes". I stated, that our position had always been yes to the alternative proposal, and that we had not changed our position - he stated "I concede that".

I'm not sure how we got to this point. Do you both have a few minutes that I could come over and we could discuss this?

Thanks
Lee

-----Original Message-----

From: Massie, Joe
Sent: Monday, October 25, 2004 12:01 PM
To: Iovino, Peter A; Kair, Lee R
Subject: FW: follow up.

Peter/Lee,
Please see Jon DeVore's response below. Please advise as to how I should reply, if at all.

thanks,
Joe

-----Original Message-----

From: DeVore, Jon (Murkowski) [mailto:Jon_DeVore@murkowski.senate.gov]
Sent: Monday, October 25, 2004 11:52 AM
To: Massie, Joe
Cc: Williams, Kate (Stevens)
Subject: RE: follow up.

Joe,

Thank you for the response. We strangely have very different recollection of the discussions. We were under the distinct understanding that tsa was going to confirm there were no impediments to meetings with chenega but there was going to be an opportunity for chenega to present what cost savings and technologies exist prior to the release of the rfp. I understood it would take a couple weeks to prepare the analysis. It would appear tsa had a different agenda or conclusion from our meeting, sincerely meaning no disrespect.

The cost and timing issues will remain important to Senator Murkowski.

I am travellin so sorry for the informality and beivity. Jon

Respectfully,

Jon DeVore

Jon M. DeVore, Chief Counsel
U.S. Senator Lisa Murkowski
(202)-224- (direct)

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

-----Original Message-----

From: Massie, Joe <Joe.Massie@dhs.gov>
To: DeVore, Jon (Murkowski) <Jon_DeVore@murkowski.senate.gov>
Sent: Mon Oct 25 09:27:37 2004
Subject: RE: follow up.

Dear Jon,

In our meeting on Monday, you articulated that you wanted to ensure Chenega would have an equal and fair opportunity to compete with other companies interested in working with TSA on the Integrated Logistics Support project. In order to guarantee equal and fair opportunity for all companies competing for work on this project, TSA articulated in Monday's meeting that we would be unable to individually meet with Chenega. However, you can rest assured that Chenega's proposal will be impartially evaluated using criteria consistent with that which will be applied to all other proposals.

thank you,

Joe Massie
Congressional Liaison
Office of Legislative Affairs
Transportation Security Administration

-----Original Message-----

From: DeVore, Jon (Murkowski) [mailto:Jon_DeVore@murkowski.senate.gov]
Sent: Friday, October 22, 2004 3:17 PM
To: Massie, Joe
Subject: RE: follow up.

Dear Joe:

Please share this message with the others from TSA. Senator Murkowski greatly appreciates the time and effort of TSA to come to our office to met. Mr. Lee Kair was very understanding our the Alaska Delegations' concerns. Thank you.

I apologize for the beivity of the message but I am travelling.

As a result of that meeting our specific understanding is that TSA will not release the RFP until after Chenega has had a chance to make a presentation of capabilities using the procurement options including the use of the Customs mechanism. The cost savings in time and money are quite significant. If the agencies decideds to consider fair and open competition, please let me know what analysis has been done to address the increased cost and time for the bid process.

Thank you,

Jon DeVore

-----Original Message-----

From: Massie, Joe [mailto: @dhs.gov]
Sent: Mon 10/18/2004 2:58 PM
To: DeVore, Jon (Murkowski)
Cc:
Subject: RE: follow up.

Gunderson, Richard

From: Kair, Lee R.
nt: Monday, November 01, 2004 7:31 PM
o: Wolf, Chad
Cc: Blank, Tom; DiBattiste, Carol; Gunderson, Richard
Subject: ILS Recompete Issue

CONTAINS PROCUREMENT SENSITIVE INFORMATION

Chad -

We have an issue regarding our Integrated Logistics Support recompetes for logistical support of our non-EDS equipment in baggage areas and at the checkpoints - a component of the overall program currently being completed under our contract with Boeing. We had a two phase acquisition strategy under our Acquisition Management System - request for white papers, then formal RFP. We have completed the down-select based on white papers received from interested vendors and were prepared to release our formal RFP.

After receipt of these white papers, we received inquiries by Senators Murkowski and Stevens and Chairman Young concerning an Alaskan Native Corporation named Chenega. Staff from these offices have been adamant that we evaluate an option using a CBP contract with Chenega for similar services. In addition to this CBP option, Chenega has also submitted a white paper and been selected to participate in the second round of our procurement. Because this is an active procurement in which Chenega is involved, we have been working with Legal counsel to develop a risk mitigation strategy to reduce our risk if we find the Chenega option is not viable and re-start the competitive procurement.

What we have come up with is an impartial group comprised of the following:

- Acquisition and technical experts from TSA not involved in the Source Selection Evaluation Board (SSEB) for the competitive procurement
- 2. The DHS Chief Procurement Officer, or designee - as this acquisition would now involve multiple organizational elements
- 3. The DHS Office of Small Disadvantaged Business Utilization (OSDBU) - the Departmental experts for small business issues
- 4. Technical and Acquisition experts from Customs and Border Protection - the experts on the current Chenega contract at CBP
- 5. Legal Counsel

This team can make a recommendation regarding the viability of the Chenega proposal. If viable, we can pursue leveraging the CBP option. If it is not viable, we have preserved the current competitive procurement process by segregating the source selection evaluation board for the competitive procurement.

We have made informal inquiries with the office of the Chief Procurement Office at DHS about the viability of this approach. Per Adm Stone's direction this evening, we need your assistance from a policy perspective in vetting this at BTS and the Department.

Once this strategy is approved, these are the events that would take place:

1. Respond in writing to Chenega to schedule a meeting to evaluate their proposal.
2. Develop a response through Leg Affairs to staffs of Murkowski, Stevens, and Young
3. Notify the remaining seven vendors in the down selected procurement that the process has been suspended to evaluate an alternative option for the procurement.
4. Cross Departmental team meet with Chenega to evaluate their option. Based on the outcome of this meeting, either (a) begin negotiation to migrate to the CBP contract or (b) notify Chenega and staffs that the CBP option will not meet our needs and resume the procurement.

I have attached a white paper describing the events regarding Chenega. Please note that this process is procurement sensitive.

Regards,
Lee



CHENEGA White
Paper.doc

Lee R. Kair
Acting Assistant Administrator for Acquisition
Transportation Security Administration

CONTAINS PROCUREMENT SENSITIVE INFORMATION



Transportation
Security
Administration

November 29, 2004

Mr. Ken Ogden
Chenega Technology Services Corporation
5971 Kingstowne Village Parkway
Suite 100
Alexandria, VA 22315

Dear Mr. Ogden:

Thank you for your presentation to the joint DHS panel convened on November 19th 2004 to evaluate your alternative approach to TSA's solicitation for logistics support for security equipment at the nation's airports.

TSA has reviewed your proposed approach and determined that it is in the Government's best interest to proceed with the ongoing competition, of which Chenega is a participant. As you know, the solicitation released in August includes requirements of significant size and complexity. For a matter of this scope, TSA, as well as the taxpaying public, will benefit from competitive procedures.

I also want to bring to your attention a compelling issue with your proposed approach. The open solicitation for this requirement is for maintenance and repair of the security equipment at airports under North American Industrial Classification System (NAICS) Code 811219. Your company exceeds the size standard established by the Small Business Administration for this category (\$6M in average revenue). Therefore, there is an issue with the underlying basis for sole source negotiations with Chenega.

Again, we sincerely appreciate your interest in this requirement and your ongoing support to the Department. We look forward to working with you on this competitive opportunity. If you need further information or assistance, please feel free to call me at

Sincerely yours,

A handwritten signature in black ink, appearing to read "Lee R. Kair", written over a horizontal line.

Lee R. Kair
Acting Assistant Administrator
Office of Acquisition

TSA-050127-033

Office of the Assistant Secretary

U.S. Department of Homeland Security
601 South 12th Street
Arlington, VA 22202-4220



Transportation
Security
Administration

JAN 31 2005

The Honorable Ted Stevens
Chairman
Committee on Commerce, Science and Transportation
United States Senate
Washington, DC 20510

Dear Senator Stevens:

I am writing to clarify information provided in a letter to your office, dated November 17, 2004.

At the request of Senator Murkowski's office, on October 19, 2004, members of my staff met with a member of Senator Murkowski's staff and Ms. Kate Williams from your office regarding the Airport Security Equipment Maintenance procurement. On October 27, Senator Murkowski's office requested I notify her office and your office of any decision made by the Transportation Security Administration (TSA) regarding this procurement, which was the purpose of my letter to you on November 17. That letter should have reflected that TSA representatives met with a member of your staff, not you personally.

I hope that this information clarifies the correspondence, and I sincerely apologize for any confusion. If your staff needs further information or assistance, they are requested to call Mr. Peter A. Iovino, Assistant Administrator for Office of Legislative Affairs, at

Sincerely yours,

David M. Stone
Assistant Secretary

*Mr. Chairman,
I very much
enjoyed speaking
with you in Hona and
am very eager to work closely
with you to ensure TSA
serves our country well in
the days ahead.*

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Disclosure of proposal information or source selection information related to the conduct of a Federal agency procurement is restricted by section 27 of the Procurement Integrity Act (41. U.S. C. 423).

Unauthorized disclosure is prohibited by Title 18 United States Code Section 1905.



NJVC, LLC

Information Technology & Information Services (IT/IS) Contract

Award Fee Evaluation for Base Year Period 2 (CY 2002)

01 July 2002 to 31 December 2002

CONTRACTING OFFICER: Diana Daunt

PROGRAM MGR: Joe Russell

COR: Marti Fleger

05 March 2003

6.a. Adhere to the security policies and standards set forth under this contract.

- The Bethesda COMSEC Custodian was delinquent at times in picking up key material from the COMSEC Central Office of Record. (60)
- One employee under the NJVC contract was removed from the contract for misuse of computer resources. (0)
- Two security incidents occurred involving NJVC employees improperly securing vault areas. Both resulted in re-training on closure procedures. (65)
- o Procedures for password notification were not followed by new OHD employees. (65)
- NJVC's personnel did not have all the necessary security clearances to perform their work at the WNY OHD. Staffing problems occurred as a result of the need to monitor their movement within the WNY Operations Center. (60)

NINJA

Security

Overall Security Score: 48

Overall Security Rating: Poor



Award Fee Summary

Award Fee Summary

<u>Criteria</u>	<u>Weight</u>	<u>Rating</u>	<u>Score</u>
Cost Performance and Control	15%	Excellent	99
Process Improvement	5%	Good	89
Program Management	40%	Good	87
Transition	20%	Excellent	93
Customer Satisfaction	10%	Good	86
Security	10%	Poor	48*
Total	100%	Weighted Average	81

* - Since this criteria = 48, award amount for Security = \$ 0



Award Fee Allocation

Amount Awarded	Total Available	\$1,498,623
	Total Awarded	\$1,213,885
	Difference	(\$284,738)

Reduced amount of \$284,738 will remain on contract and will be applied to subsequent evaluation period(s) or special incentive(s).

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NJVC, LLC

**Information Technology &
Information Services (IT/IS) Contract**

**Award Fee Evaluation for Option Year 1 Period 3
(CY 2003)**

01 January 2003 to 30 June 2003

PROGRAM MGR: Joe Russell

COR: Marti Fleger

11 September 2003

- 4. Successful completion of scheduled transitions (e.g., recruiting & hiring of NIMA IS personnel, IT/IS functions, and work performed under existing NIMA contracts) conducted throughout each award fee period, either a phase or full transition. (Continued)**
- There were instances in the East Library operations where NJVC employees informed working level Government personnel that they are taking over their function, specifically the Intelligence Imagery sub-function. Aside from being inappropriate, this did not help in developing a good working relationship. There were Government people who were under the impression that NJVC was directing what is to be outsourced rather than the Government.

6.a. Adhere to the security policies and standards set forth under this contract. (Continued)

- During a site visit to the GIFC, two security incidents were caused by a St. Louis Team NJVC employee. This employee had been fully briefed prior to travel on all security requirements for the site. The two incidents were: 1. Traveled with un-marked, classified documents and reported to the site with them in his possession. 2. Took clearly marked, classified documents off base and to the motel with him, and did not return with them until the following day.
- Coordination between NJVC and the COMSEC Central Office of Record has improved during the last month.

Overall Security Score: 0*

Overall Security Rating: Poor

*Section J-3, Award Fee Plan of the contract states that the contractor must satisfactorily adhere to the security policies and standards set forth under this contract. Despite the improvements made to NJVC's Security Office and its security program, the two security infractions made by subcontractors under the IT/IS Contract during this award period nullify all credit for this performance element.



Award Fee Summary

<u>Criteria</u>	<u>Weight</u>	<u>Rating</u>	<u>Score</u>
Cost Performance and Control	15%	Excellent	91
Process Improvement	5%	Good	88
Program Management	40%	Good	83
Transition	20%	Good	72
Customer Satisfaction	10%	Good	87
Security	10%	Poor	0
Total	100%	Weighted Average	74



Award Fee Allocation

Total Available Prior to Reduction	\$1,382,389
10% Reduction	\$138,239
<hr/>	
Total Available for Period 3 Award	\$1,244,150
Total Award for Period 3	\$926,599

317,551

Reduced amount of \$455,790 will remain on contract and will be applied to subsequent evaluation periods or special incentives as applicable.



Know the Earth...Show the Way

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Information Technology & Information Services (IT/IS) Contract

Award Fee Evaluation for Option Year 2 Period 5

1 January 2004 through 30 June 2004

Briefing to: NJVC on 12 August 2004

Frank Tolley, IT/IS PM @ 703-755-5115
Luanne Mulawa, IT/IS Deputy PM @ 314-263-4067
Enterprise Operations Directorate,
Contract Management Office (EQ)

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NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY
PROCUREMENT SENSITIVE

► Security (10%)

• Areas for Improvement

- Improper handling of bomb threats (i.e., threat received by OHD via voice mail on Saturday, May 29, was not reported until Tuesday, Jun 1).
- Contractors were accountable for five “Practices Dangerous to Security” during the period (although none resulted in a security violation):
 - Improper handling of classified data (2).
 - Improper securing of secure areas (3).
- Better coordination with EMD staff necessary to support timely implementation of IAVA’s.
- Failure to follow virus checking procedures for all media resulted in impact to new systems deployment, loss of production time and significant virus clean-up effort.

► **Security (10%)**

Rating: Marginal

Score: 69

► Award Fee Summary

Award Fee Summary

<u>Criteria</u>	<u>Weight</u>	<u>Rating</u>	<u>Score</u>
Cost Performance and Control	15%	Good (80-89)	89.0
Process Improvement	5%	Excellent (90-100)	95.0
Program Management	40%	Good (80-89)	85.0
Transition	20%	Excellent (90-100)	95.0
Customer Satisfaction	10%	Excellent (90-100)	90.0
Security	10%	Marginal (50-69)	69.0
TOTAL	100%	Good (80-89)	87.0

► Updated Award Fee History Chart

Period	Performance Period	Award Fee Available	Award Fee Earned	Unearned Award Fee	Score
1	01/01/02-06/30/02	\$ 1,030,807	\$ 896,802	\$ 134,005	87%
2	07/01/02-12/31/02	\$ 1,498,623	\$ 1,213,885	\$ 284,738	81%
3	01/01/03-06/30/03	\$ 1,382,389	\$ 1,011,217	\$ 371,172	73%
4	07/01/03-12/31/03	\$ 1,710,246	\$ 1,470,812	\$ 239,434	86%
5	01/01/04-06/30/04	\$ 7,805,611	\$ 6,790,882	\$ 1,014,729	87%
6	07/01/04-12/31/04	\$ -	\$ -	\$ -	
7	01/01/05-06/30/05	\$ -	\$ -	\$ -	
8	07/01/05-12/31/05	\$ -	\$ -	\$ -	
9	01/01/06-06/30/06	\$ -	\$ -	\$ -	
10	07/01/06-12/31/06	\$ -	\$ -	\$ -	
11	01/01/07-06/30/07	\$ -	\$ -	\$ -	
12	07/01/07-12/31/07	\$ -	\$ -	\$ -	
	Total	\$ 13,293,671	\$ 11,383,598	\$ 1,910,073	

Notes:

Period 1 Unearned Award Fee is included in Period 2 Available Award Fee.

Period 3 changes reflect the reclama decision on Security and Key Personnel issues.

Period 5 Available Award Fee reflects corrections to Period 4.



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Unauthorized disclosure is prohibited by Title 18 United States Code Section 1905.

Information Technology & Information Services (IT/IS) Contract

Award Fee Evaluation for Option Year 2 (CY 2004)

Period 6

1 July 2004 through 31 December 2004

Frank Tolley, IT/IS PM

Briefing to NJVC: 15 February 2005

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NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY
ACQUISITION SENSITIVE

► Security (10%)

Areas for Improvement

- The following security infractions occurred during this award period:
 - One (1) security violation
 - CSC subcontractor- Improper sanitization/shipping of classified equipment
 - Two (2) serious security incidents bordering on violations
 - BAE subcontractor- Improper account creation/handling at WNY
 - BAE subcontractor- Improper transmission of classified data at WNY
 - Eight (8) security incidents
 - LM subcontractor- Improper sanitization/shipping of classified equipment
 - Halifax subcontractor- Failure to properly secure classified vault at WNY
 - NJVC contractor- Improper shipping of media between NGA sites
 - CTSC subcontractor- Inadvertent transport of classified material from BET
 - BAE subcontractor- Improperly handling classified information at WNY
 - NJVC contractor- Failure to properly secure classified vault at BET
 - CSC subcontractor- Failure to properly secure classified vault at BET
 - BAE subcontractor- Failure to properly secure classified vault at ARN
 - Three (3) incidents of computer misuse resulting in dismissal of personnel
 - CSC subcontractor- pornographic material
 - BAE subcontractor- pornographic material
 - Halifax subcontractor- pornographic material

► **Security (10%)**

Rating: Poor

Score: 49

▶ Award Fee Summary

Award Fee Summary

<u>Criteria</u>	<u>Weight</u>	<u>Rating</u>	<u>Score</u>
Program Management	20%	Good (80-89)	80
Technical Performance (SLAs)	20%	Excellent (90-100)	100
Cost Performance & Control	20%	Good (80-89)	80
Enterprise Communications & Teaming	20%	Good (80-89)	80
Process Improvement	10%	Good (80-89)	89
Security	10%	Poor (0-49)	0
TOTAL	100%	Average (70-79)	77

► Revised Award Fee Schedule

	Period	Performance Period	Award Fee Available	Award Fee Earned	Unearned Award Fee	Score
Base	1	01/01/02-06/30/02	\$ 1,030,807	\$ 896,802	\$ 134,005	87%
	2	07/01/02-12/31/02	\$ 1,498,623	\$ 1,213,885	\$ 284,738	81%
OY-1	3	01/01/03-06/30/03	\$ 1,382,389	\$ 1,011,217	\$ 371,172	73%
	4	07/01/03-12/31/03	\$ 1,710,246	\$ 1,470,812	\$ 239,434	86%
OY-2	5	01/01/04-06/30/04	\$ 7,805,611	\$ 6,790,882	\$ 1,014,729	87%
	6	07/01/04-12/31/04	\$ 7,257,289	\$ 5,588,113	\$ 1,669,176	77%
OY-3	7	01/01/05-06/30/05	\$ -	\$ -	\$ -	
	8	07/01/05-12/31/05	\$ -	\$ -	\$ -	
OY-4	9	01/01/06-06/30/06	\$ -	\$ -	\$ -	
	10	07/01/06-12/31/06	\$ -	\$ -	\$ -	
OY-5	11	01/01/07-06/30/07	\$ -	\$ -	\$ -	
	12	07/01/07-12/31/07	\$ -	\$ -	\$ -	
		Total	\$ 20,550,960	\$ 16,971,711	\$ 3,579,249	

↓
OY-14

Notes:

- Period 1 Unearned AF is included in Period 2 Available AF.
- Period 3 changes reflect FDO decision on IT/IS reclama to security & key personnel issues.
- Period 5 Available AF reflects corrections from Period 4.
- Periods 5 & 6 Unearned AF dollars applied to Option Year 2 baseline cost.