

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON SCIENCE AND TECHNOLOGY

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March 19, 2009

Mr. Christopher Scolese
Acting Administrator
National Aeronautics and Space Administration
300 E Street SW, Suite 9L33
Washington, DC 20546

Dear Acting Administrator Scolese:

Recently, the Committee received allegations that the procurement process for the Space Communications Network System (SCNS) contract award by the National Aeronautics and Space Administration (NASA) may have been negatively impacted by an organizational conflict of interest, including the employment of a former senior NASA official by the original winning bidder. This is a significant award that involves management of NASA's space communications network and is worth at least one billion dollars.

The SCNS procurement had already been the subject of a contract award appeal by the losing bidder to the Office of the Comptroller General. The Comptroller General ruled in favor of the losing bidder on one issue (improperly evaluating the winning bidder's past performance), and your agency has properly reopened the evaluation of the bids before finalizing the award. However, the Comptroller General did not take up the question of organizational conflict of interest on the grounds that the matter had not been raised by the losing bidder in a timely fashion.

Congress is not limited by such a consideration. This Committee has grown increasingly concerned about the role private contractors play in support of government officials, both in establishing future agency requirements and in managing other contractors. This role could give a company an unfair advantage in future competitions. For example, the winning bidder in the initial SCNS award was also the contractor that oversaw the work of the previous contractor and appears to have advised NASA officials on the requirements for the follow-on contract.

While the Committee has not reached any conclusions regarding the allegations in the SCNS case, the Committee has asked for agency records to gather more information

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about the alleged conflicts. Those records have not been produced on the timeline promised by the agency, and the records that have been produced appear to be incomplete. Therefore, we have not been able to complete even a preliminary review.

In light of the Committee's concerns, NASA's failure to produce all of the requested documents to the Committee, and an open investigation by NASA's Office of the Inspector General, we ask that you postpone making a final award on the SCNS contract until sufficient time has been provided to allow the Committee to complete its review. We are not aware of any harm to your program that would come from such a postponement. The existing contractor is to be retained on the current contract through at least July 8, 2009. We understand that NASA desires to have a period of overlap between a new contractor – should you choose to go with a new contractor – and the existing contractor, but waiting a few more weeks should not endanger your ability to arrange for such an overlap or affect the underlying program.

I am sure you share our goal of protecting the agency's reputation for integrity in all aspects of contracting. Finalizing an award that remains under a cloud will not further that goal.

By this letter, we are reiterating our document request and asking for an immediate briefing from the appropriate agency officials to discuss the schedule for making this award. Please contact Dan Pearson, Investigations and Oversight Subcommittee staff director, at (202) 225-4494 to arrange for the briefing. Your cooperation in this matter is greatly appreciated.



BART GORDON
Chairman

Sincerely,



BRAD MILLER
Subcommittee Chairman
Investigations and Oversight