



**Comptroller General  
of the United States**

Washington, D.C. 20548

# Decision

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**Matter of:** ATLIS Federal Services, Inc.

**File:** B-275065.2; B-275065.3

**Date:** February 12, 1997

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Richard J. Conway, Esq., and Robert J. Moss, Esq., Dickstein, Shapiro, Morin & Oshinsky, for the protester.

Terrence J. Tychan, Department of Health & Human Services, for the agency.

Aldo A. Benejam, Esq., and Christine S. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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## **DIGEST**

1. Protester's contention that the agency improperly evaluated proposals is denied where the record shows that the agency evaluated in accordance with the criteria announced in the solicitation, and the record reasonably supports the generally lower ratings assigned the protester's proposal.
2. Allegation that awardee gained an unfair competitive advantage as a result of its recent performance of another contract--to conduct a database user satisfaction survey for the same agency--is denied where there is no evidence in the record that any of the information gathered during performance of that contract conferred any advantages on the awardee.
3. Contention that two members of the technical evaluation panel, who had some official business contacts with the awardee in connection with another contract, had a conflict of interest which required mitigation or that those evaluators improperly influenced the evaluation and selection decision is denied where there is no evidence in the record to support the contention.
4. Allegation that agency's analysis of awardee's proposed costs was not reasonable is denied where the record shows that in conducting the analysis, the contracting officer primarily relied on the results of an audit report conducted by the agency's financial advisory services branch, and also conducted his own analysis which was recorded in the summary of negotiations memorandum and the best value analysis, and there is no basis in the record to conclude that the calculations in these documents are not reasonably based.

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## **DECISION**

ATLIS Federal Services, Inc., the incumbent, protests the award of a contract to Aspen Systems Corporation under request for proposals (RFP) No. NCI-CO-61017-77, issued by the National Institutes of Health, National Cancer Institute (NCI), to provide electronic information maintenance services. The protester's main contentions are that the agency improperly evaluated proposals; that Aspen had an unfair competitive advantage in this procurement; and that the agency's cost realism analysis was flawed.

We deny the protests.

## **BACKGROUND**

The RFP, issued May 7, 1996, contemplated the award of a cost-plus-fixed-fee contract for a 5-year period of performance.<sup>1</sup> NCI's International Cancer Information Center (ICIC) is responsible for preparing and updating a comprehensive range of technical information products and services that is made available worldwide to individuals and organizations involved in cancer research, and other health professionals, to assist them in making treatment decisions. These products include the Physician Data Query (PDQ) database; the CancerFax and CancerNet information services; the RDCR database; and the ICIC server on the World Wide Web. The successful offeror is to provide maintenance services for all of these information products.

Offerors were required to submit separate technical and business proposals. In addition to listing mandatory qualification criteria that offerors were required to meet in order to be considered for award, the RFP listed the following technical evaluation factors (percentage weight of each factor is shown in parenthesis): (1) technical approach (35); (2) personnel/staffing/management (35); (3) facilities, resources, and equipment (15); and (4) background and experience (15). In addition to evaluating proposals under these technical factors, the agency was to also conduct a risk assessment based on the past performance of those offerors whose proposals were included within the competitive range. The RFP stated that the evaluation of technical proposals was to receive paramount consideration, and that the government would make award on the basis of the proposal deemed most advantageous to the government.

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<sup>1</sup>The RFP estimated the effort required to be approximately 283,000 labor hours for the basic requirement. In addition, the agency could exercise options beginning in the second year of performance for additional work--"option A" for expanding the Rare Disease Clinical Research (RDCR) database, and "option B" for updating the CANCERLIT database--totaling approximately 29,500 labor hours.

Aspen and AT LIS were the only two firms submitting proposals. A technical evaluation panel (TEP) evaluated the proposals by assigning numerical point scores under each evaluation factor. Based on the results of the initial evaluation, the contracting officer considered both proposals in the competitive range; held discussions with both firms; and requested and received best and final offers (BAFO). The TEP rescored proposals based on BAFOs, with the following results (proposed costs includes options):

Offeror	Points	Proposed Costs
Aspen	[DELETED]	\$9,829,432
AT LIS	[DELETED]	[DELETED]

Based on those results, the contracting officer awarded the contract to Aspen on September 30. These protests followed a debriefing by the agency.

#### PROTESTER'S CONTENTIONS

AT LIS contends that the agency improperly failed to evaluate proposals in accordance with the evaluation criteria announced in the RFP. AT LIS also argues that the awardee had an unfair competitive advantage in the procurement as a result of having recently completed another contract for NCI. The protester also challenges the agency's realism analysis of Aspen's proposed costs.

#### DISCUSSION

#### EVALUATION OF PROPOSALS

AT LIS contends that the TEP's narrative evaluations do not support the generally lower numerical scores assigned AT LIS's proposal, particularly under the "technical approach" and "personnel/staffing/management" evaluation factors. According to the protester, the narrative evaluations of its proposal for its technical approach and personnel are superior to Aspen's, but its proposal received lower numerical scores under those factors than Aspen's proposal.

In reviewing a protest challenging an agency's technical evaluation, we examine the record to ensure that the agency's evaluation was reasonable and consistent with the stated evaluation criteria. Abt Assocs., Inc., B-237060.2, Feb. 26, 1990, 90-1 CPD ¶ 223. Based on our review of the record here, we find that the evaluation of proposals was reasonable and in accordance with the criteria announced in the solicitation. Below, we discuss a representative sample of the protester's arguments in support of our conclusions.

## Technical Approach

The purpose of the contract is to provide maintenance services for all electronic information products produced by NCI's ICIC. These products include the PDQ database, the CancerFax and CancerNet information services, the RDCR database, and the ICIC server on the World Wide Web. The RFP's statement of work (SOW) described in detail the maintenance services to be provided for each database, giving prominence to the services related to maintaining the PDQ database. Those services include data collection, data analysis, abstracting, writing, indexing, keying, proofing, tracking, and marking documents using a version of a Standardized Generalized Markup Language (SGML). The PDQ database contains up-to-date information about cancer, including treatment, screening, and prevention. The ICIC creates and maintains the NCI user version of the PDQ which is available on-line and via the Internet from the ICIC, the National Library of Medicine, and through numerous information vendors worldwide. The PDQ, along with the other databases, is updated monthly.

The record shows that following the initial evaluation, the TEP identified several weaknesses in ATLIS's proposal under the technical approach evaluation factor and generated several discussion questions directly related to those weaknesses. Those weaknesses included ATLIS's proposed document tracking system; the firm's approach to responding to inquiries concerning information in ICIC products and services; training plan; and access to and assessing updates on the latest advances in technology. The TEP reevaluated ATLIS's proposal based on its responses to these items and generally concluded that overall, rather than improving the proposal, the responses minimally weakened the proposal, resulting in a decrease in its overall score under the "technical approach" evaluation factor.

With respect to document tracking, for example, the TEP concluded that ATLIS continued to propose a paper tracking system and offered no suggestions for improving document tracking methods. Although ATLIS offered additional details on its training plan and how it would respond to inquiries concerning the ICIC products, the evaluators concluded that the responses had no impact on the overall proposal. Similarly, with respect to assessing and updating the latest advances in technology, the reviewers concluded that ATLIS's response indicated a lack of understanding of the place of technology in its work. One reviewer noted that the activities ATLIS described seemed out of focus and disorganized, and another evaluator noted that ATLIS did not fully explain its approach.

In another area evaluated under the "technical approach" factor, the TEP found that ATLIS had proposed staff that had taken courses in "SGML" and "HTML" language formats, but that the protester did not discuss how that experience would be used to place information on the World Wide Web. The TEP concluded that ATLIS had not offered convincing evidence that it understood the issues related to the World

Wide Web task, and that staff experience in HTML and web site development was not sufficiently documented.

The TEP was unanimous in noting that although ATLIS had provided more detail in response to discussion questions, ATLIS had not significantly enhanced its proposal. One evaluator stated that ATLIS's proposal demonstrated that the firm failed to understand the needs of ICIC and failed to propose an approach to maintain a high quality presence on the information superhighway. The TEP concluded that ATLIS did not seem to understand the implications of staffing and the special needs of the audiences that would be reached with new developments in information technology. The TEP concluded that ATLIS's responses to the discussion items did not significantly improve its proposal, and, in fact, led to generally lower scores that initially assigned under this factor.

In addition to the identified weaknesses under the technical approach factor, the TEP recognized that ATLIS had been the incumbent for several years performing similar services. As such, the record shows that the TEP expected that, as the incumbent knowledgeable with all aspects of the requirements, ATLIS would propose new and innovative approaches. However, in addition to the several weaknesses remaining under the "technical approach" factor following discussions, the TEP specifically noted that ATLIS proposed no significant improvements to the processes used to accomplish the requirement.

The protester's argument that the TEP's narrative description of its proposal did not support its lower technical score is not supported by the record. The TEP concluded that given the current and anticipated environment of shrinking budgets and increased workloads it was not feasible to continue to maintain large, complex information systems such as those contemplated by the contract, without the benefit of up-to-date technological innovations and creativity, and downgraded ATLIS's proposal accordingly under this factor. In fact, as already explained, the record shows that overall, the responses ATLIS provided in its BAFO actually weakened the proposal, resulting in a lower score under this factor.

ATLIS argues that the TEP deviated from the stated evaluation criteria because "innovation" and "creativity" were not listed as evaluation factors. We have reviewed each instance in the record where the TEP considered lack of innovation or creativity a weakness in ATLIS's proposal and find the evaluation to be reasonable. Such assessments are an integral part of a technical evaluation that considers, among other things, the offerors' understanding of the technical requirements, and the quality of the specific approaches proposed. University Research Corp., B-253725.4, Oct. 26, 1993, 93-2 CPD ¶ 259. There is nothing improper about the evaluators' comments made in this context.

With respect to the awardee's proposal, contrary to the protester's assertions, the TEP identified several aspects of Aspen's proposal which were considered strengths which reasonably support the generally higher scores assigned that firm's proposal under the "technical approach" factor. For instance, the TEP found that Aspen demonstrated a thorough understanding of the PDQ database and the mechanisms the ICIC uses to disseminate the information contained in that database. Aspen also proposed an extensive [DELETED] the mission of the NCI and the project. The TEP found this [DELETED] a strength as it would enable employees to better understand the implications of their functions, as well as the structure and goals of the project.

In contrast to [DELETED] streamline the performance of specific tasks and to ensure the quality of the information in the database. In addition, Aspen proposed to have the technical processing manager work closely with the project officer and with other NCI staff to anticipate changes to the PDQ menu structure. The TEP concluded that, overall, Aspen had strengthened its proposal by providing technical solutions that demonstrated the firm's ability to solve a problem creatively, resulting in slightly higher technical scores from those initially assigned under this factor. We have reviewed the record in light of the protester's arguments and find no basis to object to the evaluation of proposals under this factor.

#### Personnel/staffing/management

The RFP listed certain key positions and described "highly desired" qualifications of the individuals proposed for each. Staff proposed to fill the position of "information specialist," for example, were to have a Master of Science in a biomedical or health discipline, and should have demonstrated experience abstracting and preparing highly technical information; experience translating highly technical information into lay terms; and experience in information dissemination and retrieval, including the Internet and other new technologies.

The TEP identified two areas in ATLIS's proposal that remained weak following discussions. First, of the staff ATLIS proposed, it was unclear which individuals would be responsible for maintaining and developing materials for use by patients and by the general public (*i.e.*, the information specialist functions). Second, the TEP was also concerned with the lack of experience and expertise of staff in using emerging technologies for disseminating information.

With respect to which individuals would be responsible for maintaining and developing materials, the reviewers concluded that the additional information ATLIS provided in response to discussion questions was not relevant or responsive to the question. None of the staff ATLIS proposed were health educators or had patient education backgrounds. With respect to the use of emerging technologies, two evaluators thought that ATLIS's response actually weakened its proposal. In this

regard, ATLAS presented a list of accomplishments by its staff, but the TEP concluded that "few are entirely relevant to the question."

Contrary to the protester's allegations, the TEP found that several weaknesses remained in ATLAS's proposal including a "deficit in the area of knowledge of the Internet and emerging technologies"; a lack of staff familiarity with the World Wide Web and other technologies; and "little significant education or experience [in its proposed staff] in writing documents to provide patients with cancer information."<sup>2</sup> In view of the "highly desired" personnel qualifications specifically listed in the RFP, and the purpose of the contract, we think that the TEP's concerns adequately support the low rating assigned ATLAS's proposal in this area. We have reviewed the record in light of the protester's allegations and find that the lower scores earned by ATLAS's proposal are reasonably supported.<sup>3</sup>

#### UNFAIR COMPETITIVE ADVANTAGE

On September 30, 1995, under an agreement between the agency and Aspen unrelated to the instant RFP, NCI issued a work order for Aspen to perform a satisfaction survey of the users of the PDQ database. Under that order, Aspen was to obtain information about the users of the database (i.e., characterize the users); determine how the information in the database is being used; survey users' satisfaction with the information in the database; and measure user satisfaction with retrieval methods. Aspen was to provide monthly progress reports to NCI which were to include a description of the activities completed during the reporting period and activities planned for the ensuing period. Aspen's work related to the PDQ user survey spanned several months, culminating in a draft and a final report which Aspen submitted to NCI in October and December 1996, respectively.

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<sup>2</sup>By contrast, the TEP concluded that Aspen proposed staff with strong backgrounds in patient education. The TEP described Aspen's staff experience as "invaluable" as the PDQ expands to include more patient information. Overall, the TEP found that Aspen proposed highly qualified and appropriate staff.

<sup>3</sup>ATLAS also argues that the TEP was improperly influenced by having access to the offerors' business proposals. Our review of the evaluators' worksheets shows that of the four evaluators, only one briefly noted that Aspen's costs for the optional efforts A and B were "roughly the same" and also remarked on the overall difference in costs between ATLAS's and Aspen's proposals. ATLAS has not shown, and there is no evidence in the record to support the protester's contention that the TEP was improperly influenced by knowing the offerors' costs, or that such knowledge had any effect on the technical evaluation.

Several business meetings took place between Aspen and NCI officials between October 1995 and the end of February 1996, related to the PDQ user satisfaction survey. Attendees at those meetings included Ms. Bonnie Harding and Dr. Anne Thurn, both of whom were also members of the TEP that evaluated proposals submitted under this RFP.

ATLIS alleges that Aspen gained an unfair competitive advantage in this procurement because, as a result of its work on the PDQ user satisfaction survey, Aspen had access to information not available to the other offerors. According to the protester, Aspen was able to incorporate this information into its winning proposal. In addition, the protester maintains that Aspen's meetings with Dr. Thurn and Ms. Harding created a situation where Aspen discussed with two of the evaluators which areas of the PDQ were important and which areas of the RFP would be stressed in the evaluation.

Contracting agencies are responsible for reviewing potential conflicts of interest posed by relationships between evaluators and offerors in order to ensure impartiality in the evaluation and to preserve the integrity of the procurement process. See SeaSpace Corp., B-252476.2, June 14, 1993, 93-1 CPD ¶ 462, recon. denied, B-252476.3, Oct. 27, 1993, 93-2 CPD ¶ 251. Where, as here, a protester asserts that an evaluator was improperly influenced or biased because of his past experiences or relationships, we will examine both the nature of the relationship, and whether the evaluator exerted improper influence in the procurement on behalf of the awardee, or against the protester. E.J. Richardson Assocs., Inc., B-250951, Mar. 1, 1993, 93-1 CPD ¶ 185; Charles Trimble Co., B-250570, Jan. 28, 1993, 93-1 CPD ¶ 77; George A. Fuller Co., B-247171.2, May 11, 1992, 92-1 CPD ¶ 433. Here, we conclude that the prior involvement of Ms. Harding and Dr. Thurn with Aspen in relation to the PDQ satisfaction survey does not present a conflict of interest requiring mitigation.

Our Office held a hearing at which both Dr. Thurn and Ms. Harding testified as to their prior involvement with Aspen and the nature of the information gathered from the PDQ user satisfaction questionnaire. Dr. Thurn and Ms. Harding testified that the purpose of the task order issued to Aspen was to help NCI determine who uses the PDQ database; which sections of the database are used most often; which sections are most useful; and the general satisfaction with PDQ as a cancer information resource. Hearing Transcript (Tr.) at 10 and 55. Both witnesses explained that the PDQ survey and the contract contemplated by the RFP differ in scope. For instance, Dr. Thurn explained that the survey looked at the PDQ database from the outside, *i.e.*, from the user's viewpoint and did not include any questions about specific data, the responses to which could then be used to suggest how the database could be changed. Tr. at 11-12. According to Dr. Thurn, the RFP contemplated a contract to maintain the database current, having "nothing to do

with how the end user perceives the data." Tr. at 12. Ms. Harding's testimony was consistent with Dr. Thurn's. Tr. at 56.

With respect to the information gathered from the survey itself, Dr. Thurn testified that Aspen's proposal did not include any information which could have been gleaned from the survey results. Tr. at 14. Dr. Thurn further testified that Aspen submitted its draft report with the results of the survey in October, after the TEP had completed its evaluation of BAFOs. Tr. at 14-15. Both witnesses on this issue testified that to their knowledge, no member of the TEP took any of the results of the PDQ user survey into account in evaluating the competing proposals, Tr. at 16-17, 58, or discussed any of Aspen's work under the task order during the evaluation of proposals. Tr. at 38, 58. Moreover, Dr. Thurn testified that she did not review the draft report, and that she did not review Aspen's final report until December 1996, well after the evaluation of proposals had been completed. Tr. at 30.

We have examined both the nature of Dr. Thurn's and Ms. Harding's prior official involvement with Aspen in connection with the PDQ user satisfaction survey, and whether they improperly influenced the procurement on behalf of Aspen or against the protester. As a preliminary matter, we note that the record shows that Aspen's work under the task order was only tangentially related, if at all, to the requirements under the RFP. Specifically, the testimony at the hearing revealed that the purpose of the user satisfaction survey Aspen conducted was to examine the database from the user's or outsider's viewpoint, and not to ask about the specific contents of the database.

The record further shows that the official meetings between Aspen and NCI were strictly limited to discussing the protocol design and methodology, and preparing the survey questionnaire. There is no evidence in the record to support ATLAS's contention that at those meetings, Aspen discussed which areas of the RFP the TEP considered important or would stress in its evaluation. With respect to the survey responses themselves, the record shows that the information sought by the questionnaire is virtually unrelated in any way to the purpose of the contract contemplated by the RFP. Accordingly, we fail to see how Aspen could have incorporated the results of the survey into its proposal in any meaningful way that would have afforded the firm an unfair competitive advantage.

We conclude that ATLAS has not shown that Aspen gained an unfair competitive advantage in this procurement as a result of its involvement with the PDQ user satisfaction survey. In addition, we find that the work related to the PDQ user survey was so dissimilar in nature, purpose, and scope, to the instant procurement that we cannot conclude that Dr. Thurn's or Ms. Harding's official business contacts with Aspen related to the PDQ user satisfaction survey gave rise to a conflict of

interest that required mitigation, or that they otherwise improperly influenced the outcome of the evaluation of proposals.

#### COST REALISM ANALYSIS

The agency awarded the contract to Aspen for a total estimated cost of \$9,829,432; the government's independent estimate for the total effort was \$14,474,861; and ATLAS's proposed costs were [DELETED]. ATLAS contends that the agency's cost evaluation was deficient because the agency failed to conduct a meaningful cost realism analysis of Aspen's significantly lower proposed costs.

When an agency evaluates proposals for the award of a cost reimbursement contract, an offeror's proposed estimated costs of contract performance and proposed fees are not considered controlling since an offeror's estimated costs may not provide valid indications of final actual costs that the government is required, within certain limits, to pay. Federal Acquisition Regulation § 15.605(c) (FAC 90-31); General Research Corp., 70 Comp. Gen. 279 (1991), 91-1 CPD ¶ 183, recon. denied, American Management Sys., Inc.; Department of the Army--Recon., 70 Comp. Gen. 510 (1991), 91-1 CPD ¶ 492. The purpose of a cost realism analysis under a level-of-effort, cost reimbursement-type contract is to determine the extent to which an offeror's labor rates are realistic and reasonable. Sociometrics, Inc., B-261367.2; B-261367.3, Nov. 1, 1995, 95-2 CPD ¶ 201. While an agency is not required to conduct an in-depth cost analysis or to verify each and every item in conducting a cost realism analysis, it must perform sufficient analysis to determine the extent to which an offeror's proposed costs represent what the contract should cost, assuming reasonable economy and efficiency. See CACI, Inc.-Fed., 64 Comp. Gen. 71 (1984), 84-2 CPD ¶ 542. Because the contracting agency is in the best position to make this cost realism determination, our review is limited to determining whether the agency's cost realism analysis is reasonably based and not arbitrary. Grey Advertising, Inc., 55 Comp. Gen. 1111 (1976), 76-1 CPD ¶ 325.

In support of the reasonableness of its cost realism analysis, the agency relies primarily on an audit report prepared by NIH's Cost Analysis Section, Financial Advisory Services Branch (FASB); the summary of negotiations memorandum; and the contracting officer's best buy analysis. We have reviewed each of these documents in light of the protester's allegations and conclude that the agency's cost realism analysis was reasonably based.

Prior to conducting discussions, the FASB reviewed the proposed hourly rates for several labor categories, including the information specialist and the technical processing specialist, which together comprised the [DELETED]. The record shows that for each of the positions reviewed, the FASB verified that Aspen's proposed rates were the current rates being paid by Aspen to employees in comparable positions, and that those rates were realistic.

For all positions proposed the FASB also calculated salaries for each contract period. In other words, the FASB calculated a starting salary and then calculated future salaries based on upward adjustments based on current levels of inflation. The FASB also reviewed and recommended overhead and general and administrative costs in accordance with Aspen's most recent rate agreement with the Department of Justice. As a result of its review, the FASB recommended a total upward adjustment of [DELETED] to Aspen's proposal for all contract periods. The record shows that the questioned costs were the subject of discussions, and that Aspen agreed with the FASB's recommended rates.<sup>4</sup> Under these circumstances, we think that the agency properly could rely upon the FASB's advice in performing its cost realism analysis, in the absence of evidence showing that the rates were unrealistically low. Delta Research Assocs., Inc., B-254006.2, Nov. 22, 1993, 94-1 CPD ¶ 47.

The record further shows that the contracting officer did not rely exclusively on the FASB's audit report, but conducted his own detailed cost analysis. For instance, in the "summary of negotiations" memorandum, the contracting officer listed the negotiated hourly rates and total annual salaries for direct labor for all positions for all 5 years of the contract. The hourly rates for those positions were then compared with the rates under several other contracts with comparable positions. The contracting officer also calculated overhead and G&A costs for all contract years. The contracting officer confirmed the FASB's conclusion that Aspen's overhead rates and general and administrative (G&A) rates were in accordance with the current indirect rate agreement with the Department of Justice, and concluded, based on his discussion with the FASB, that Aspen's negotiated rates amounts for overhead and G&A are fair and reasonable.

In addition, the summary of negotiations memorandum shows that for each of the 5 contract years, the contracting officer analyzed other elements of cost such as travel, consultants, equipment, and other direct costs. These costs had not been reviewed by FASB in its audit, but the record shows that some of these costs were the subject of discussions and that Aspen provided supporting documentation for

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<sup>4</sup>ATLIS notes that the FASB qualified its report based on the lack of quantifiable technical information provided by the project officer regarding proposed employees, and recommended that the project officer review the levels of the personnel proposed for certain labor categories. However, the record shows that the FASB also concluded that Aspen's proposal was acceptable as a basis for negotiations, and that questioned costs were resolved during discussions. In the absence of any evidence that Aspen's labor rates are inaccurate, the FASB's qualification does not adversely impact the agency's cost realism analysis. See The Warner/Osborn/G&T Joint Venture, B-256641.2, Aug. 23, 1994, 94-2 CPD ¶ 76 at n. 4.

the proposed costs in its BAFO.<sup>5</sup> In each case, the memorandum states that the project officer reviewed and approved the appropriateness of these proposed costs.

ATLIS argues that the analyses contained in the summary of negotiations memorandum are flawed in several respects. For instance, the protester points out that although that document states in various places that the project officer had reviewed and approved the appropriateness of the labor mix and proposed costs, there is nothing in the record to support the project officer's conclusion. ATLIS also points to one labor category which Aspen proposed to fill with [DELETED] employees--information specialist--to argue that the agency did not consider whether Aspen could actually fill those positions at its proposed low hourly rate.

The contracting officer testified at the hearing that with respect to labor mix, number of hours, and costs, the project officer relied on her knowledge of similar work and past experience with the project. Tr. at 130. The contracting officer also testified that Aspen proposed a total number of hours within [DELETED] percent of those proposed by ATLIS (a difference of approximately [DELETED]). Tr. at 150-151. The record shows that the TEP considered that difference to have no impact on contract performance. Since the record shows that the TEP reasonably evaluated the proposals under the personnel/staffing evaluation factor and found that Aspen had proposed highly qualified and appropriate staff, we need not further consider the protester's argument that the project officer's conclusions regarding the propriety of Aspen's proposed labor mix are not supported in the record. In any event, in view of the relatively insignificant difference in number of hours proposed by the only two offerors, and in the absence of any showing by the protester that Aspen's proposed labor mix is unreasonable, we see no basis to question the project officer's or the TEP's conclusions in this regard.

With respect to the information specialist labor category, the contracting officer's summary of negotiations memorandum shows that Aspen proposed [DELETED] employees for that labor category at an hourly rate of [DELETED], while ATLIS proposed an hourly rate of [DELETED] for the same category. According to ATLIS, this difference in cost is significant because the evaluators considered Aspen's proposal acceptable based on its understanding that Aspen would hire ATLIS's employees to fill these positions. The protester maintains that had NCI properly analyzed Aspen's proposed costs, the agency should have concluded that Aspen could not hire qualified information specialists for [DELETED], and either adjusted

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<sup>5</sup>The FASB did not review the proposed costs associated with the optional work totaling approximately [DELETED]. However, the summary of negotiations memorandum shows that the contracting officer reviewed these costs and found them to be reasonable and adequately supported in Aspen's proposal.

Aspen's proposed costs upward, or downgraded Aspen's technical proposal to reflect the quality of the labor force Aspen proposed at the lower rate.

The record shows that the contracting officer compared Aspen's proposed rates for several labor categories, including the information specialist, to the rates actually paid under three other contracts with comparable positions and to ATLIS's proposed rates. That comparison shows that for the three contracts, the hourly rates for the information specialist category were [DELETED], while ATLIS's proposed rate was [DELETED]. Clearly, Aspen's proposed hourly rate of [DELETED] for that position falls within the narrow range of rates under the three comparison contracts, while ATLIS's proposed rate is significantly out of line with those three contracts. Contrary to the protester's position, the TEP did not condition acceptance of the awardee's proposal on Aspen's hiring only incumbent personnel. Rather, Aspen stated in response to a discussion item that it would rely on its experience to hire new employees, including some incumbent personnel. In our view, it was not unreasonable for the agency to conclude that Aspen could hire and retain qualified employees to fill the [DELETED] positions of information specialist at its proposed rate.

Finally, in his best value analysis, the contracting officer "normalized" both offerors' costs by calculating an average cost per hour (including optional work) to perform the contract, and multiplied that amount by the total number of direct labor hours estimated in the RFP. The results of that calculation show that Aspen's proposed costs remained below ATLIS's proposed costs by more than [DELETED]. Thus, even after normalizing proposals to account for the slight differences in the number of labor hours proposed, the record shows that Aspen's proposed costs remained significantly lower than the protester's lower-rated proposal.

In order to establish the unreasonableness of an evaluation, it is not enough that the protester disagrees with the agency's judgment or that the protester, as ATLIS has attempted to do here, can point to alternative methodologies available to the agency. Payco Am. Corp., B-253668, Oct. 8, 1993, 93-2 CPD ¶ 214. Based on our review of the record, and for the reasons explained above, we have no reason to question the agency's cost realism analysis of Aspen's proposal.

The protests are denied.

Comptroller General  
of the United States