



## Decision

**Matter of:** Hughes Missile Systems Company  
**File:** B-259255.4  
**Date:** May 12, 1995

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### DIGEST

1. Protester's failure to provide appropriate support for alternative approaches to contract performance provided reasonable basis for agency to conclude that protester's proposal was not most advantageous to the government, notwithstanding protester's assertion that detailed support for alternative approaches to contract performance was not pertinent in procurement contemplating design evolution during contract performance.
2. Evaluation of affordability of proposed approaches, which included use of learning curves and offerors' proposed costs to quantify cost of representative set of hardware was

\*The decision issued on May 12, 1995 contained proprietary information and was subject to a General Accounting Office protective order. This version of the decision has been redacted. Deletions in text are indicated by "[deleted]."

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reasonable and consistent with evaluation criteria which emphasized efficiency, economy, and producibility of design.

3. Where protester's proposal met all solicitation requirements, agency's discussion questions reasonably led the protester into areas of its proposal needing amplification or clarification.
4. Protester's assertion that questionnaire responses regarding protester's past performance did not support rating of "moderate" risk is without merit where rating was based on information other than that obtained in response to questionnaires and solicitation advised offerors that an offeror's performance risk rating would be based on any information available to the agency.
5. Where record demonstrates that awardee's technical proposal was superior to protester's and protester's own analysis concludes that its proper evaluated cost was higher than that of the awardee, there is no need for a cost/technical tradeoff.

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#### DECISION

Hughes Missile Systems Company protests the proposed award ~~of a contract~~ to the Raytheon Company under request for proposals (RFP) No. DAAH01-94-R-0005, issued by the Department of the Army, for the Enhanced Fiber Optic Guided Missile (EFOG-M) Demonstration Program.<sup>1</sup> Hughes contends that ~~the agency failed to consider the alternative designs presented in its proposal, performed an improper affordability evaluation, failed to conduct meaningful discussions, performed an improper risk assessment, and improperly calculated offerors' most probable costs.~~

We deny the protest.

#### BACKGROUND

The EFOG-M system concept was developed by the Army to provide a weapon system capable of destroying stationary and moving targets, under adverse weather conditions, beyond or obscured from the line of sight of a concealed gunner (soldier operator), with pin-point accuracy at a range of up to 15 kilometers (km). The weapon system consists of missiles, each equipped with a seeker to register images of the battlefield, which are fired from a vehicle-mounted launcher. The missile seeker transmits the battlefield

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<sup>1</sup>Westinghouse Electronic Systems Company and the Boeing Company have also filed protests against the proposed award. These protests are decided in separate decisions.

images via a fiber optic cable which spools out from the missile and is connected to the launch vehicle. A gunner inside the vehicle monitors the missile's flight and selects an appropriate target.

Prior to issuing this RFP, in December 1988, the Army awarded a full scale development contract for a predecessor to the EFOG-M system to the Boeing Company, with Hughes as the team member responsible for missile development. Due to significant cost growth and schedule slippage, this contract was terminated in January 1991. In preparation for a subsequent engineering and manufacturing development (EMD) solicitation, the Army awarded pre-demonstration/validation analysis contracts for the EFOG-M system to Westinghouse, Raytheon, Hughes, and Boeing in September 1992. A draft EMD solicitation was issued in early 1993 to obtain contractor comments and a pre-solicitation conference was held in June 1993. However, in December 1993, the Department of Defense (DOD) selected the EFOG-M as one of several weapon system components to be demonstrated in the Rapid Force Projection Initiative (RFPI)/EFOG-M Advanced Concept Technology Demonstration (ACTD).<sup>2</sup>

Accordingly, when the Army issued the instant RFP on March 29, 1994, the RFP's Executive Summary advised offerors that it was for the EFOG-M demonstration program and not for an EMD program as had been initially solicited. The Summary described the goals of the RFPI and the Army's assessment that the EFOG-M demonstrated a "precision standoff killer" capability for inclusion in the RFPI.

The EFOG-M program was divided into two phases, with Phase I emphasizing the EFOG-M concept via simulation and culminating in a "virtual prototype demonstration" scheduled for the last quarter of fiscal year 1995. The simulation hardware/software consisted of one stationary simulator each at two Army installations, one fire unit mobile simulator, one fire unit load of missile simulators, and a surrogate

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<sup>2</sup>ACTD programs are designed to evaluate the utility and affordability of new technology in a realistic military environment. Prototype equipment using new, but relatively mature, technology is given to an active military unit in one or more services and evaluated by them during operation-level exercises. Evaluation of the technology is completed before deciding whether to acquire it through large scale production. The ACTD is expected to provide the user with a "residual" operating capability. That is, enough prototypes or demonstration models will be provided to allow the user to continue working with the technology following the demonstration.

missile.<sup>3</sup> During Phase I, the successful offeror was required to commence preliminary design work on the EFOG-M hardware and software to support a design review (DR I) 9 months after contract award. One purpose of Phase I was to use the simulators to provide feedback for the design process.

Phase II included a 42-month option, to be exercised at DR I, for EFOG-M design maturity and demonstration effort, and various other options for engineering support, additional hardware, and extended user evaluation support. Phase II also would provide hardware and software to support the RFPI/EFOG-M ACTD, scheduled for the third quarter of fiscal year 1997 and another integrated demonstration in fiscal year 1998. As part of Phase II, the contractor was to deliver 8 fire units, 2 platoon leader vehicles (PLV), 10 missiles, and an upgraded surrogate missile prior to the 1997 demonstration. An integrated product and process development (IPPD) team (government/contractor) approach was to be employed with an emphasis on using the best commercial practices for design and manufacturing to ensure that future fielding to a tactical unit would be affordable.

The RFP contemplated award of a cost-plus-incentive-fee contract to a single contractor. The RFP included four separate statements of work (SOW) covering the different efforts required for both phases and all options. Each offeror was to submit a technical proposal addressing each SOW requirement and provide a quantification of technical performance parameters and sufficient design rationale to allow evaluation of the proposed approach. In the management proposal, each offeror was required to submit an engineering development master plan including its overall IPPD commitment and plan to demonstrate how EFOG-M hardware can be produced at an affordable cost. With regard to performance risk, offerors were required to submit a description of their government contracts, similar to the effort called for under the RFP, received or performed during the past 5 years. In the cost proposal, offerors were required to submit complete cost information for the contract line items (CLIN), rationales for costs, and other cost information.

Award was to be made to the offeror whose proposal represented the best value to the government based on four evaluation criteria: technical, management, cost, and performance risk. Technical was considered of significantly

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<sup>3</sup>The surrogate missile was to be attached to a fixed-wing aircraft and flown in patterns simulating missile flight. The missile would transmit its observed images via radio transmission rather than along a fiber optic cable.

greater importance than the other areas individually, and equal to their combined weights. Management and cost were considered of equal importance, each being somewhat more important than performance risk.

The technical area was to be evaluated on the basis of proposed concept, affordability, and three other elements. The management area was to be evaluated on the basis of four elements including IPPD. Cost was to be evaluated on the basis of most probable cost (MPC). With regard to the cost evaluation, the options for additional missiles, fire units, and PLVs were evaluated at the highest quantity within each range; the costs of larger scale quantities were not considered. The performance risk evaluation was to be based on the offeror's current and past record of performance and experience as it related to the probability of successful accomplishment of the required effort. Offerors were warned that unsupported promises to comply with the contractual requirements would not be sufficient. Proposals had to provide convincing documentary evidence to support any conclusionary statements related to promised performance.

Technical and management evaluations were expressed in the adjectival ratings, "excellent," "very good," "good," "satisfactory," "marginal," and "unacceptable." Performance ratings were expressed in the terms of "superior," "good," "fair," and "unacceptable." Performance risk ratings were expressed, from most to least desirable, as "low," "moderate," and "high."

Four offerors, Westinghouse, Raytheon, Hughes, and Boeing submitted proposals by the June 1, 1994, closing date. On June 23, all four submitted revised proposals in response to amendment No. 0009, which included wholesale deletions of military specifications and standards, as well as reductions in hardware and software requirements and the performance period. Members of the source selection evaluation board (SSEB) and performance risk assessment group (PRAG) conducted the initial evaluations of each proposal and its revisions and issued various discussion questions to the offerors. Prior to the commencement of oral discussions in August, the SSEB/PRAG sent the offerors additional written questions and comments identified as items for negotiation. Oral discussions were conducted between August 8 and 12. The SSEB/PRAG reported their evaluation findings to the source selection advisory council (SSAC) at three in-process reviews (June 30, August 4, and September 12).<sup>4</sup>

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<sup>4</sup>The SSAC is a senior-level advisory group which provided guidance and advice to the SSEB.

All four offerors submitted best and final offers (BAFO) on August 24. When the SSEB/PRAG presented its evaluation results to the SSAC on September 12, the source selection authority (SSA), who attended that briefing, determined that discussions should be reopened to address the offerors' degree of emphasis on IPPD. The offerors submitted their second BAFOs on September 21. The second BAFOs did not change the offerors' respective ratings. The final evaluation results for the offerors was as follows:

Offeror	Technical	Management	MPC	Risk
Raytheon	Very Good	Satisfactory	\$176 M	Low
Westing-house	Good	Good	\$231 M	Low
Hughes	Good	Satisfactory	\$187 M	Moderate
Boeing	Good	Satisfactory	\$174 M	High

In making his source selection, the SSA was briefed by the SSEB and he reviewed the relative standing, including the evaluated advantages, disadvantages, and MPCs, of all offerors' proposals. The SSA determined that Raytheon's superior technical rating and second lowest MPC represented the best value to the government. Accordingly, he selected Raytheon for the award.

Prior to making the source selection, the Army notified all offerors that selection would be delayed pending finalization of the DOD Secretary's Program Decision Memorandum II which could have an impact on several Army programs in fiscal year 1996. Subsequently, the Army decided to make the source selection, but delay contract award pending a DOD review of the Army's fiscal year 1996 budget. The offerors were then notified of Raytheon's selection. After receiving this notice and a debriefing, Hughes filed an initial protest asserting that the agency failed to evaluate proposals consistent with the stated evaluation criteria.<sup>5</sup> After reviewing the agency report,

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<sup>5</sup>Hughes also protested the decision to select Raytheon prior to completion of the budget review process. Hughes speculated that if the budget review resulted in a reduction of funds for EFOG-M, then the Army would have to reduce the scope of the program. Such a change would mean that the requirements on which the proposals were based would no longer represent the agency's minimum needs, necessitating proposal revisions prior to any selection. The Army explains that notwithstanding the need for a fiscal year

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Hughes filed a supplemental protest alleging that the agency performed an improper affordability evaluation, failed to conduct meaningful discussions, performed an improper risk assessment, and improperly calculated offerors' most probable cost.

#### EVALUATION OF DESIGN ALTERNATIVES

Hughes first protests that the agency's evaluation of technical proposals was "inconsistent with the ACTD procurement approach set forth in the RFP." Specifically, Hughes asserts that the agency evaluated only its "baseline proposal," and failed to consider either various design alternatives that Hughes presented or its proposed approach for conducting design tradeoffs in consultation with representatives of the military user community.<sup>6</sup>

This portion of Hughes's protest is based on its understanding that an ACTD approach emphasizes flexibility and maximization of options for the user to analyze and from which the user may choose as it pursues a final product. Hughes goes on to distinguish an ACTD approach from an EMD approach on the basis that the latter seeks development of a fixed "point design." According to Hughes, the ACTD approach is uniquely complemented by use of IPPD teams to address and resolve technical and other issues presented by the inherent flexibility in an ACTD approach. On the basis

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<sup>5</sup>(...continued)

1996 budget review prior to awarding the contract, it has sufficient funds "in hand" to incrementally fund the required effort and that sufficient funds have been budgeted, programmed, or planned since the RFP was issued. Since the review has not been completed and the requirements have not been changed, we find that Hughes's protest on this ground is speculative and premature. Accordingly, there is no basis for us to consider the allegation at this time. See General Elec. Canada, Inc., B-230584, June 1, 1988, 88-1 CPD ¶ 512.

<sup>6</sup>In connection with this portion of its protest, Hughes asserts that the military user community was not adequately represented on the SSEB and SSAC. The agency disputes this, noting various representatives of the user community on the various evaluation and source selection entities. Our Office will not question the composition of the an evaluation or source selection board in the absence of a showing of fraud, bad faith, conflict of interest or actual bias. Delta Ventures, B-238655, June 25, 1990, 90-1 CPD ¶ 588. None of these factors are present here; accordingly, this aspect of Hughes's protest is not for consideration on the merits.

of this analytical dichotomy, Hughes contends that the agency improperly evaluated its technical proposal by using an EMD approach. We disagree.<sup>7</sup>

The evaluation criteria provided that minimum performance requirements must be met and that the extent to which an offeror's approach achieved the desired capabilities would be evaluated. While the RFP did not require a fixed point design at the time of proposal submission, it did not preclude the agency from considering the relative merits of differing approaches with respect to further development. In this regard, the agency could reasonably view a proposal which was not based on extensive further development as more advantageous than others requiring such development. Conversely, the agency could decide that an offer involving more extensive further development was more advantageous than any other offer currently before it. What the agency did here was consider which proposal with its baseline design, and with due consideration of potential design changes during development, represented the best value to the government.

The agency states that it fully considered and evaluated the portions of Hughes's proposal relating to design alternatives. The agency notes that Hughes's proposal contained various references to alternative designs or tradeoffs, but contained little substantive documentation supporting those alternatives and tradeoffs. Accordingly, the agency considered the various references to be essentially unsupported promises to comply with the contractual requirements; as such, the references provided limited bases for evaluative merit. In short, the agency takes the position that it fairly considered all of the information submitted in Hughes's proposal, but did not view the portions of Hughes's proposal related to alternative designs as favorably as Hughes asserts was appropriate.

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<sup>7</sup>Hughes also asserts that the agency failed to revise the RFP to announce MICOM's changed intentions regarding evaluation of proposals; did not engage in meaningful discussions with regard to its changed intentions; and did not evaluate all offerors equally, due to its changed intentions. Since we conclude that, in fact, the agency's evaluation was consistent with its intentions, as stated in the RFP, we find no merit in these other protest allegations. To the extent Hughes is challenging the RFP's stated evaluation criteria, the protest is not timely. Sundstrand Data Control, Inc., B-237020.2, Jan. 23, 1990, 90-1 CPD ¶ 95.

We have reviewed the record and find no basis to conclude that the agency failed to reasonably consider any portion of Hughes's proposal. Specifically, the record shows that the agency considered alternative designs in Hughes's proposal regarding [deleted]. While it is clear that Hughes's opinion with regard to the relative merits of these portions of its proposal does not coincide with that of the agency, Hughes's mere disagreement does not provide a basis for sustaining its protest. See Litton Sys., Inc., B-237596.3, Aug. 8, 1990, 90-2 CPD ¶ 115.

Much of Hughes's argument is based on its assertion that the RFP for the EFOG-M did not contain any "operational requirements."<sup>8</sup> Accordingly, Hughes maintains that it was impossible to provide significant detail supporting its alternative designs with its proposal since "the RFP direct[ed] the successful offeror to accomplish a significant design effort in response to operational requirements that are unknown to the offeror at the time of solicitation." (Emphasis in original.) Hughes concludes that "the successful offeror [was] directed by the [RFP] to evolve a system during contract performance that meets operational requirements [as they become known]." (Emphasis in original.)

Hughes's argument simply misconstrues the plain language of the RFP. Attachment 1 of the RFP, titled "Minimum and Desired Performance Requirements" contained 6 pages of detailed operational requirements with which proposed systems were required to comply.<sup>9</sup> An offeror is

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<sup>8</sup>Hughes states that: "Requirements such as . . . detection range . . . probability of a hit given a shot . . . and navigation error are not operational requirements." In contrast, Hughes asserts that "operational requirements . . . include: (1) mission success rate, (2) situational awareness, (3) mission effectiveness, and (4) C2 [command and control] effectiveness."

<sup>9</sup>By way of example, paragraph 1.1 of RFP Attachment 1, titled "Effectiveness," required that the proposed system "shall operate in day/night/adverse weather . . . and engage targets at a required minimum range of 1.0 kilometers (km), a required maximum of at least 15 km, and at any range in between." Paragraph 1.2, titled "Physical Configuration," stated that "The [fire unit] shall include the capability to carry and reload a minimum of 6 ready-to-fire missiles." Paragraph 1.4, titled "Operation," required that the proposed system "shall transmit, via a fiber optic cable, real time seeker imagery to the gunners console (GC). Simultaneously, gunner initiated and system-generated

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responsible for affirmatively demonstrating the merits of its proposal and runs the risks associated with its failure to do so. Saco Defense, Inc., B-252066, May 20, 1993, 93-1 CPD ¶ 395. Here, Hughes assumed the risk associated with its narrow construction of what the RFP sought. Hughes's apparent misunderstanding of the clear RFP requirements does not provide a basis to challenge the agency's conclusion, based on its application of the stated evaluation criteria, that Hughes's proposal failed to demonstrate an approach most advantageous to the government.

#### AFFORDABILITY EVALUATION

Hughes next protests that the agency's evaluation of affordability was inconsistent with the RFP's stated evaluation criteria. Hughes asserts that the agency failed to properly distinguish an offeror's "affordability concept" from the actual affordability of the offeror's proposed product. Accordingly, Hughes maintains that the agency converted the affordability evaluation into a cost evaluation, thereby making cost more important than the RFP had stated. Hughes also asserts that it was improper for the agency to rely on "platoon set costs" as a tool for assessing affordability.

The RFP provided that technical proposals would be evaluated based on the following five elements, listed in descending order of importance: proposed concept, affordability, test and evaluation, supportability, and engineering and technical support/services. With regard to affordability, the RFP stated:

"This element shall include the reasonableness and utility of the offeror's affordability concept with respect to efficiency, economy, and producibility of the design of EFOG-M. Emphasis shall be placed on application of the affordability concept to larger scale quantities of hardware from 301 to 3,180 missiles, 6 to 36 PLVs, and 14 to 133 [fire units]. The larger scale hardware quantities will not be considered in the cost portion of the evaluation. Offeror's proposed approach to IPPD, while evaluated under the management area, will also be examined (in

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<sup>9</sup>(...continued)

guidance commands shall be transmitted up the fiber cable to the missile for implementation. The gunner shall have the capability, via the GC, to perform mission planning, emplacement, flight operations, target engagements, and damage assessment."

part) to determine the risk of the proposed affordability concept."

The agency performed an initial affordability evaluation during which the SSEB considered various factors, but did not include any substantial quantitative analysis. The SSAC concluded that the initial evaluation was incomplete and directed that the affordability evaluation be performed again considering the unit cost curve data submitted by the offerors, along with the impact of the offerors' IPPD approaches. As explained by the agency, the best technical design has little utility for the Government if it cannot, ultimately, afford to purchase significant quantities.

Thus, at the direction of the SSAC, a second affordability evaluation was performed which included consideration of projected costs likely to be incurred for a "platoon set"-- that is 1 PLV, 4 fire units, and 64 missiles.<sup>10</sup> The evaluations took into account learning curve cost data and separate calculations were performed for RFP quantities and for the larger scale quantities which could ultimately be acquired under a subsequent production contract. The costs calculated for each offeror were adjusted for the technical risk associated with each offerors' proposal, as well as for each offeror's IPPD rating.

The agency explains that its affordability evaluation was separate and distinct from its MPC evaluation because the affordability evaluation focused on larger scale quantities that would be subsequently purchased under another contract. The agency also explains that the risks attributable to the contract effort under this contract were distinguishable from the risks associated with the production of larger scale quantities and that it would be improper to consider both risks together. For example, the risks associated with the initial contract include numerous possible cost impacts due to underestimation of labor, material, or other direct costs (ODC) and forced adjustments for schedule risk as driven by program milestones. Once the initial contract was complete, any cost associated with these risks would have been paid, and would have little impact on the cost risks associated with large scale production.

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<sup>10</sup>The agency explains that an EFOG-M unit deployed in a battlefield scenario will normally consist of one PLV, four fire units and 64 missiles.

Although an agency may only evaluate offers on the basis of criteria specified in the solicitation, evaluation considerations that are reasonably contemplated within the stated evaluation criteria are clearly permissible. See, e.g., OK's Cascade Co.; Western Catering, Inc., B-257543; B-257562, Oct. 14, 1994, 94-2 CPD ¶ 141; SeaSpace Corp., B-252476.2, June 14, 1993, 93-1 CPD ¶ 462.

Here, the RFP reasonably contemplated, within the affordability criterion, the agency's consideration of cost projections and the impact that each proposed system would have with respect to the "economy and producibility" of quantities beyond those that would be evaluated in the cost proposal for this solicitation. Consideration of such potential costs was consistent with the concept of affordability which was the essence of this evaluation criterion. Hughes's assertion that MICOM's evaluation was flawed for considering precisely what the RFP contemplated is without merit.

Similarly, we find no merit in Hughes's assertion that it was unreasonable for the agency to specifically rely on "platoon set cost" as the unit of measurement for purposes of assisting in the affordability evaluation. As discussed above, an EFOG-M unit deployed in a battlefield scenario will consist of the elements considered by the agency. Accordingly, the agency's model was reasonably based on the requirements for delivery under the solicitation and, as such, was properly considered as a basis for aiding in its evaluation of affordability. Aerostat Servs. Partnership, B-244939.2, Jan. 15, 1992, 92-1 CPD ¶ 71; see also DynCorp, B-245289.3, July 30, 1992, 93-1 CPD ¶ 69.<sup>11</sup>

#### MEANINGFUL DISCUSSIONS

Hughes next contends that the agency misevaluated its proposal and/or failed to conduct meaningful discussions with regard to Hughes's proposed IPPD approach. Hughes contends that the agency improperly downgraded its proposal for failing to identify the location of all of its IPPD teams and for failing to disclose the proposed membership of

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<sup>11</sup>Hughes also raises various other arguments regarding the adjectival ratings applied to both its proposal and that of the awardee's, arguing in each instance that its proposal should have been rated higher and the awardee's lower. We have reviewed Hughes's arguments and find that they merely reflect Hughes's disagreement with the agency evaluators regarding the degree of merit associated with the two proposals. As such, Hughes's arguments provide no basis for sustaining the protest. See Litton Sys., Inc., B-237596.3, Aug. 8, 1990, 90-2 CPD ¶ 115.

each team. Alternatively, Hughes asserts that the agency failed to bring its concerns regarding these matters to Hughes's attention during discussions.

The record demonstrates that the agency's action regarding evaluation and discussion of Hughes's [deleted] was appropriate. [Deleted]

[Deleted.] In conducting discussions, agencies need only lead offerors into the areas of their proposals that require amplification. Caldwell Consulting Assocs., B-242767; B-242767.2, June 5, 1991, 91-1 CPD ¶ 530.

Hughes's protest also lists various other portions of its proposal that Hughes alleges should have been the subject of more specific discussion questions by the agency. Each of Hughes's arguments rely on portions of its proposal wherein the proposal met the solicitation requirements, but received less than the maximum possible score.

The Competition in Contract Act of 1984 (CICA) and the Federal Acquisition Regulation (FAR) require that written or oral discussions be held with all responsible sources whose proposals are within the competitive range. See 10 U.S.C. § 2305(b)(4)(B) (1988); FAR § 15.610(b). The requirement for discussions involves advising offerors of weaknesses, excesses, or deficiencies in their proposals unless doing so would result either in disclosure of one offeror's technical approach or in technical leveling, and by offering an opportunity to satisfy the government's requirements through the submission of revised proposals. Agencies are not, however, obligated to afford offerors all-encompassing discussions or to discuss every aspect of a technically acceptable, competitive range proposal that receives less than the maximum possible rating. General Servs. Eng'g, Inc., B-245458, Jan. 9, 1992, 92-1 CPD ¶ 44.

We have reviewed each of the proposal areas under which Hughes claims it could have improved its rating if the agency had provided more specific discussion questions. We conclude for each of the areas that the agency's discussion questions adequately led Hughes into the area of its proposal needing amplification or clarification, or that discussion questions were not required regarding the particular area identified. Id.

#### PERFORMANCE RISK ASSESSMENT

With regard to performance risk, offerors were required to submit a description of their government contracts, similar to the effort called for under the RFP, received or performed during the past 5 years. In making the performance risk evaluation, the PRAG focused its inquiry on

each offeror's and subcontractor's record of past performance and experience as it related to all solicitation requirements, including cost, schedule, and technical performance, which the RFP stated would be considered equal. The RFP also stated that a "significant achievement or problem in any element of work can become an important consideration in the evaluation process." The information used by the PRAG included data from the offerors' proposals and data obtained from other sources such as government files or government personnel familiar with the contractors' performance under government contracts for similar services.

In conducting its review, the PRAG identified the most recent and relevant contracts. The source selection plan (SSP) provided that relevancy was to be judged on the basis of similarity to EFOG-M, cost type contracts, and research and development (R&D) programs of high-dollar value. The PRAG first reviewed contracts identified by the offerors, then those identified through government sources. This review resulted in a smaller number of contracts for which the PRAG would solicit the comments of knowledgeable contracting personnel. The PRAG then conducted interviews of those personnel, either by telephone or through mailed questionnaires, and used this data generated from those interviews both to further narrow the number of contracts to the most relevant and to assist in rating each contract.

In assessing Hughes's overall risk as "moderate," the agency ultimately considered Hughes's prior performance on five contracts, for which Hughes received [deleted]. The contract on which Hughes's performance was rated [deleted].

Hughes first protests that the [deleted] rating for the [deleted] was improper because [deleted], and further complains that the rating failed to reflect Hughes's "extensive lessons-learned analysis." Regarding two of the other contracts, Hughes protests that the responses recorded in the interview questionnaire forms do not support the agency's overall risk assessment of "moderate."

The agency rejects Hughes's assertion that consideration of its past performance [deleted] was inappropriate, noting that [deleted]. The agency further notes that [deleted]. With regard to the other contracts, the agency asserts that the PRAG team's assessment of risk was considerably more substantive than a mere tabulation of interview responses. Rather, the PRAG performed an evaluative assessment of that data from the questionnaires which took into consideration information in each offeror's proposal, the credibility of the interviewee, the offerors' responses to discussion questions, and other substantive information regarding the

offeror's past performance available to the PRAG.<sup>12</sup> Further, this evaluative function was performed by the PRAG as a whole, using the raw data from the questionnaires simply as a basis for discussion.

Although the relative merit of competing proposals is primarily a matter of administrative discretion, where the evaluation of proposals is challenged, we will examine the evaluation to ensure that it was reasonable and consistent with the evaluation criteria and applicable statutes and regulations. Information Sys. & Networks Corp., 69 Comp. Gen. 284 (1990), 90-1 CPD ¶ 203. However, a protester's simple disagreement with the agency's assessment does not demonstrate that the assessment was improper. See Litton Sys., Inc., supra. We have reviewed the record and find no basis to question the agency's risk assessment. In our view, the PRAG properly considered [deleted]. Further, the record contains Hughes's own statements acknowledging that [deleted].

With regard to the performance assessment of the other contracts, the record shows that the PRAG did considerably more than merely tabulate the questionnaire responses. Hughes's protest fails to note that, in addition to considering the questionnaires, the performance risk assessment plan required the PRAG evaluators to complete a narrative summary of the interviews conducted, and required the PRAG to reach a consensus in converting various types of performance information--including responses to questionnaires--to a performance risk rating. In short, the record shows that the PRAG evaluated performance risk on the basis of its aggregate qualitative analysis, not the mere summation of responses received from interviewees. Hughes's assertion that the performance risk assessment was improper is without merit.

#### EVALUATION OF COST PROPOSALS

Finally, Hughes asserts that the agency's evaluation of cost proposals was improper. In connection with this allegation, Hughes submitted a detailed analysis of what it asserts the agency should have found the MPCs to have been for both its proposal and that of the awardee. Specifically, Hughes's analysis asserts that if the agency had properly evaluated cost proposals, it would have concluded that Raytheon's MPC was [deleted] and Hughes's MPC was [deleted].

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<sup>12</sup>Paragraph M-5 of the solicitation specifically stated: "In conducting the performance risk assessment, the Government may use data provided by the Offeror in its proposal and data obtained from other sources, including data in Government files . . . ."

As discussed above, we have considered and rejected each of Hughes's arguments regarding the agency's evaluation of proposals in the areas of technical, management, and performance risk. Accordingly, even if we were to accept Hughes's conclusions regarding the evaluation of cost proposals, this aspect of Hughes's protest fails to provide a basis for questioning the selection of Raytheon for contract award. Where an agency properly evaluates a proposal as being the technically superior, low cost proposal, award is properly made without reference to a cost/technical tradeoff. See, e.g., State Management Servs., Inc.; Madison Servs., Inc., B-255528.6; et al., Jan. 18, 1995, 95-1 CPD ¶ 25.

The protest is denied.

Robert P. Murphy  
General Counsel