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## Decision

**Matter of:** Advanced Alliant Solutions Team, LLC

**File:** B-410207; B-410207.2

**Date:** November 18, 2014

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John E. Jensen, Esq., Daniel S. Herzfeld, Esq., Alexander B. Ginsberg, Esq., Meghan D. Doherty, Esq., and Travis L. Mullaney, Esq., Pillsbury Winthrop Shaw Pittman LLP, for the protester.

Paul A. Debolt, Esq., Melanie Jones Totman, Esq., and Anna E. Pulliam, Esq., Venable LLP, for Agile Defense, Inc., an intervenor.

Lt. Col. James H. Kennedy III, Anna F. Kurtz, Esq., Capt. Marc P. Mallone, and Amy E. Bryan, Esq., Department of the Air Force, for the agency.

Glenn G. Wolcott, Esq., and Christina Sklarew, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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### DIGEST

1. Agency reasonably rated protester's proposal as acceptable, but not outstanding, under the technical evaluation factor where protester's initial proposal contained multiple assumptions that were inconsistent with the solicitation requirements and, although improved through two rounds of discussions, did not reasonably meet the solicitation standard for an outstanding rating.
  2. Agency properly considered awardee's explanation regarding the basis for its labor rates, and reasonably determined that awardee's cost/price was reasonable and realistic.
  3. Agency's evaluation under the management and technical evaluation factors properly incorporated the agency's risk assessments, as contemplated by the terms of the solicitation.
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### DECISION

Advanced Alliant Solutions Team, LLC (AAST), of Fairfax, Virginia, protests the Department of the Air Force's issuance of a task order to Agile Defense, Inc., of Fairfax, Virginia, pursuant to request for proposals (RFP) No. FA8726-14-F-ARE2

for technical and management services supporting the agency's digital communications system, generally referred to as the Air Force Network (AFNet).<sup>1</sup> AAST asserts that the agency's decision to issue a task order to Agile was flawed with regard to: evaluation of AAST's proposal under the technical factor; evaluation of Agile's cost/price; evaluation of risk; and comparison of the relative merits of AAST's and Agile's proposals.

We deny the protest.

## BACKGROUND

In February 2014, the agency published the solicitation at issue, limiting offerors to small business contract holders under the Alliant Small Business Government Wide Acquisition Contract. The solicitation sought proposals to provide personnel for "hands-on" technical support, as well as management oversight; identified various systems and/or programs that the contractor will be required to support;<sup>2</sup> and provided historical staffing numbers--that is, numbers of full time equivalent personnel (FTEs)--that were previously used to support the systems/programs.<sup>3</sup> Agency Report (AR), Tab 4c, RFP amend. 2, at 146, 191. In preparing their proposals, offerors were required to identify the number of personnel they were proposing for each program and location. Id. at 13, 191-93.

The solicitation provided that the procurement would be conducted pursuant to the fair opportunity provisions of Federal Acquisition Regulation (FAR) § 16.505,<sup>4</sup> stating that award would be made on a "best value" basis considering the following

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<sup>1</sup> The AFNet is "a multibillion dollar portfolio of Air Force programs that ensure effective design, deployment and maintenance of the . . . digital communications infrastructure." Agency Report (AR), Tab 4f, RFP amend. 5, at 6. It provides networking capabilities at Air Force bases worldwide, and "provides the Warfighter with full access to real-time Command and Control (C2) information." Id.

<sup>2</sup> Among other things, the solicitation contemplated contractor support for the Air Education & Training Command (AETC); AFNet Situational Awareness (SA) System; Enterprise Information Technology Service Management (EITSM); Base Information Transport Infrastructure (BITI) Wireless; and Host Based Security System (HBSS). AR, Tab 4f, RFP amend. 5, at 21-39.

<sup>3</sup> The solicitation stated that a total of 101 FTEs have historically been used to support the various systems/programs identified in the solicitation. AR, Tab 4c, RFP amend. 2, at 191.

<sup>4</sup> When conducting a task order competition under FAR § 16.505, agencies are required to provide contract holders a "fair opportunity" to be considered for task order award. FAR § 16.505(b)(1).

evaluation factors: management,<sup>5</sup> technical,<sup>6</sup> and cost/price.<sup>7</sup> AR, Tab 4g, RFP amend. 6, at 13. The solicitation provided that management and technical factors were of equal importance and, when combined, were significantly more important than cost/price. Id. at 14. Finally, offerors were advised that, under the management and technical factors, the agency would assign a single adjectival rating for each factor that would “include[] consideration of risk in conjunction with the [management/technical] ratings.”<sup>8</sup> Id. at 14, 15.

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<sup>5</sup> With regard to evaluation under the management factor, the solicitation provided that the agency would assess, among other things, the extent to which a proposal “demonstrates an effective and executable approach to accomplishing the specific technical objectives of the task order . . . demonstrates a capability to acquire and maintain a SME [subject matter expert] staff with requisite qualifications and security clearances . . . [and] demonstrates a realistic and effective approach to transitioning in personnel.” AR, Tab 4g, RFP amend. 6, at 14.

<sup>6</sup> With regard to evaluation under the technical factor, the solicitation provided that the agency would assess, among other things, the extent to which a proposal “demonstrates a clear understanding and effective approach to satisfying all technical requirements [contained in sections 5-7 of the performance work statement (PWS)] . . . [and] the Options [contained in sections 11-12 of the PWS].” Id. at 15.

<sup>7</sup> The solicitation contained primarily fixed-price contract line item numbers (CLINs). AR, Tab 4d, RFP amend. 3, at 11-102. With regard to evaluation under the cost/price factor, the solicitation provided that an offeror’s total evaluated price (TEP) (defined as the sum of all CLINs, including the base period and all option periods) “will be evaluated using one or more of the techniques defined in FAR 15.404-1 in order to determine if it is reasonable and realistic.” AR, Tab 4g, RFP amend. 6, at 16. With regard to evaluation of the limited cost-reimbursement CLINs, the solicitation stated that “cost totals [for cost-reimbursement CLINs] will not factor in the fair opportunity decision process as the Government will establish a ceiling in the associated CLIN(s) in the RFP.” Id.

<sup>8</sup> The solicitation provided for ratings of outstanding, acceptable, or unacceptable. AR, Tab 4g, RFP amend. 6, at 15. The solicitation further provided that a rating of outstanding would reflect an “exceptional approach and understanding of the requirements” and “[r]isk of unsuccessful performance is low”; a rating of acceptable would reflect an “adequate approach and understanding of the requirements” and “[r]isk of unsuccessful performance is no worse than moderate”; and a rating of unacceptable would reflect a proposal that “does not meet requirements” and “[r]isk is high.” Id.

On March 28, 2014, initial proposals were submitted by eight offerors, including AAST and Agile.<sup>9</sup> Contracting Officer's Statement, Sept. 10, 2014, at 6. AAST's proposal reflected total staffing levels of [redacted] FTEs for the base period and first option period, decreasing to [redacted] FTEs for the second and third option periods.<sup>10</sup> Protest at 8. The agency evaluated AAST's proposal as unacceptable under the technical factor based on AAST's low manning levels, concluding that the proposed staffing was inadequate to perform the performance work statement (PWS) requirements. Among other things, the agency's contemporaneous evaluation record reflected the agency's conclusion that multiple assumptions in AAST's proposal were "inconsistent with the PWS and unacceptable."<sup>11</sup> AR, Tab 8, AAST Initial Evaluation, at 38-53.

Thereafter, the agency opened discussions with the offerors, providing 24 evaluation notices (ENs) to AAST and 4 ENs to Agile. AR, Tab 7, Agile Initial Evaluation and First ENs; Tab 8, AAST Initial Evaluation and First ENs. The agency's discussions with AAST questioned the proposed manning levels and requested that AAST address the multiple assumptions in its proposal that were "inconsistent with the PWS and unacceptable." AR, Tab 8, at 35-61. AAST responded to the ENs by removing its unacceptable assumptions and by increasing its proposed staffing to [redacted] FTEs for the base period and first option period, and to [redacted] FTEs for the second and third option periods. Protest at 8. The agency evaluated this response and concluded that AAST's proposed manning levels were still inadequate with regard to the HBSS (host based security system) program.<sup>12</sup> Accordingly, the agency again evaluated AAST's proposal as unacceptable. AR, Tab 10, AAST Response to First Round of Discussions and Evaluation, at 215.

Thereafter, the agency conducted a second round of discussions, advising AAST that its response still proposed an unacceptable level of staffing for the HBSS

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<sup>9</sup> The other offerors' proposals, and the agency's evaluation thereof, are not relevant to this protest and are not further discussed.

<sup>10</sup> As noted above, the solicitation advised offerors that, historically, a total of 101 FTEs were used to support the solicitation's programs.

<sup>11</sup> Among other things, AAST assumed that the workload reflected in the PWS was essentially the same as the workload under the predecessor contract. AR, Tab 8, Evaluation of AAST's Initial Proposal, at 38-53; see also AR, Tab 10, AAST Response to First Discussions and Evaluation, at 245.

<sup>12</sup> The solicitation stated that the HBSS program "provides an [Air Force] enterprise-wide automated, standardized tool that enhances end-point system security against internal threats and those external threats capable of penetrating network defenses." AR, Tab 4f, RFP amend. 5, at 31.

program. Id. at 245. AAST responded by increasing its total proposed staffing to [redacted] FTEs for the base period and first option period, and to [redacted] FTEs for the second and third option periods. Protest at 8. Based on this response, the agency concluded that AAST’s proposed staffing levels were adequate, and assigned a rating of acceptable to AAST’s proposal under the technical evaluation factor.

In conducting discussions with Agile, the agency expressed concern that Agile’s proposed labor rates were too low. AR, Tab 7, at 35. Specifically, one of the 4 ENs the agency provided to Agile noted that Agile had applied a [redacted] rate to its [redacted] and stated: “Please clarify and explain how you will be able to hire and retain individuals with the composite team skill set required at the proposed rates to provide total support for the length of the contract.” Id.

In response, Agile explained that its labor rates reflected [redacted], permitting Agile [redacted]. AR, Tab 9, Agile Response to First ENs and Evaluation, at 2. Agile further noted that, historically, the work the agency was using for comparison purposes had been performed by large businesses, noting that “the Government should not assume that its price experiences with these large integrators would provide a valuable comparison with those of smaller businesses such as Agile Defense.” Id. at 2-3. Finally, Agile stated that its cost/price proposal was “grounded in actual, recent cost experience for the work described in the . . . PWS.” AR, Tab 9, at 2. Upon evaluating Agile’s response, the agency concluded that the issue had been adequately addressed and evaluated Agile’s cost/price as reasonable and realistic.

Following submission of final proposal revisions, AAST’s and Agile’s proposals were evaluated as follows:

	<b>AAST</b>	<b>Agile</b>
<b>Management</b>	Outstanding	Outstanding
<b>Technical</b>	Acceptable	Acceptable
<b>Cost/Price</b>	\$25,641,197	\$23,348,895

AR, Tab 18, Decision Document, at 4.

The agency determined that Agile and AAST had submitted “the highest rated and the two lowest priced proposals,” noting the both offerors’ prices were significantly lower than the government cost estimate (GCE). AR, Tab 17, Price Competition Memorandum, at 9. With regard to both offerors’ low prices, the agency concluded:

There are three primary reasons why the GCE was significantly higher than the two highest rated proposals. The GCE include an OEM [original equipment manufacturer] SME [subject matter expert] labor category for efforts historically performed by OEM SMEs. OEM SME

labor rates are generally, significantly higher than composite labor rates which explains why the GCE is higher than the proposed amounts. The Performance Work Statement (PWS) did not require OEM SMEs. Second, the GCE was based upon the historical staffing of 101 full-time equivalents (FTE). . . . Both Agile Defense and AAST proposed less than the historical number of personnel. Additionally, a perceived strong competitive environment contributed to lower proposed labor rates (and staffing). Third, the GCE used a higher hours per man-year.

AR, Tab 18, Decision Document at 6.

Thereafter, the contracting officer selected Agile to receive the task order. In documenting his decision, the contracting officer summarized the positive aspects of both proposals, noting that “[b]oth Agile Defense and AAST had an exceptional approach and understanding of the management requirements.” Id. at 5. Nonetheless, the contracting officer noted Agile’s lower price and stated that he “did not believe that AAST’s proposal had significant positive aspects . . . that would outweigh the cost difference.” Id. In summary, the contracting officer concluded:

Because Agile provided the lowest evaluated price of the two highest rated proposals and nothing in AAST’s proposal outweighed the cost difference between Agile Defense and AAST, I have determined that this task order will be awarded to Agile Defense. Agile Defense fully understands the requirements of the program as defined in the PWS, and additionally, they proposed more staff [redacted] than AAST and kept their price lower due to [redacted] lower labor rates. Their proposal is determined to be fair and reasonable and represents the best value to the Government for the stated requirements.

Id. at 6.

On August 1, AAST was notified of the award to Agile. This protest followed.<sup>13</sup>

## DISCUSSION

AAST asserts that the agency’s decision to issue a task order to Agile was flawed with regard to: evaluation of AAST’s proposal under the technical evaluation factor;

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<sup>13</sup> The estimated value of the task order at issue is greater than \$10 million. Accordingly, this procurement is within our jurisdiction to hear protests related to the issuance of task orders under multiple-award indefinite-delivery, indefinite-quantity contracts. 10 U.S.C. § 2304c(e)(1)(B) (2012).

evaluation of Agile's cost/price; evaluation of risk; and comparison of the relative merits of AAST's and Agile's proposals.<sup>14</sup>

#### Evaluation Under Technical Evaluation Factor

First, AAST challenges the agency's assignment of only an acceptable rating to its proposal under the technical evaluation factor. AAST notes that the agency's evaluation of its final proposal revision identified no weaknesses and asserts, among other things, that "[b]ecause AAST painstakingly addressed the Air Force's staffing concerns," the agency was required to rate AAST's proposal as outstanding. Protest at 11-13; Comments/Supp. Protest, Sept. 22, 2014, at 16-17.

The evaluation of proposals is a matter within the discretion of the contracting agency. Carson Helicopter Servs., Inc., B-299720, B-299720.2, July 30, 2007, 2007 CPD ¶ 142 at 5. In reviewing protests challenging the evaluation of proposals, we will not conduct a new evaluation or substitute our judgment for that of the agency but, rather, will examine the record to determine whether the agency's judgment was reasonable and in accord with the solicitation. Applied Tech. Sys., Inc., B-404267, B-404267.2, Jan. 25, 2011, 2011 CPD ¶ 36 at 9. There is no legal requirement that an agency must award the highest possible rating, or the maximum point score, under an evaluation factor simply because the proposal is not evaluated as having any weaknesses. DynCorp Int'l LLC; Fluor SOSi Diplomatic Support Servs., LLC; Kellogg Brown & Root Servs., Inc., B-408554.5 et al., Dec. 9, 2013, 2014 CPD ¶ 6 at 8. A protester's disagreement with an agency's judgment is insufficient to establish that an agency acted unreasonably. Watts-Obayashi, Joint Venture; Black Constr. Corp., B-409391 et al., Apr. 4, 2014, 2014 CPD ¶ 122 at 5.

Here, as noted above, the solicitation specifically defined an acceptable rating as reflecting an "adequate . . . understanding of the requirements," and defined an outstanding rating as reflecting an "exceptional . . . understanding of the requirements." AR, Tab 4g, RFP amend. 6, at 15. As discussed above, the record shows that AAST's initial proposal and its first proposal revisions were evaluated as technically unacceptable due to AAST's failure to proposed sufficient staffing to perform all of the contract requirements. More specifically, the agency's evaluation effectively questioned AAST's understanding of the solicitation requirements, specifically noting that multiple assumptions in AAST's proposal were "inconsistent with the PWS." AR, Tab 8, at 35-61. In this regard, it was only after two rounds of discussions, and obtaining AAST's responses to more than 25 ENs, that the agency

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<sup>14</sup> In pursuing this protest, AAST has made various arguments that are in addition to, or variations of, those discussed below. We have considered all of AAST's various assertions and find no basis to sustain its protest.

was able to evaluate AAST's proposal as reflecting an adequate--though not exceptional--understanding of the solicitation requirements.

In our view, the necessity for AAST to "painstakingly address" the multiple portions of its proposal that were "inconsistent with the PWS and unacceptable" (by removing erroneous assumptions and increasing manning levels) is not consistent with an "exceptional" understanding of the solicitation requirements. To the contrary, the necessity for AAST to "painstakingly" respond to the agency's concerns supports the reasonableness of the agency's determination that AAST's understanding of the solicitation requirements was merely adequate. Based on our review of the record discussed above, we deny AAST's protest that it was unreasonable for the agency to rate AAST's proposal as merely acceptable under the technical factor.<sup>15</sup>

#### Price Realism Evaluation

Next, AAST protests that the agency performed a "flawed" price realism analysis, complaining that Agile proposed "notably low labor rates."<sup>16</sup> Supp. Protest at 11-13. Among other things, AAST complains that Agile proposed its [redacted] at [redacted], and that Agile's response to the agency's discussion questions did not directly address that matter. Supp. Protest at 11-13.

The agency responds that the EN provided to Agile regarding its proposed labor rates reflected, and specifically asked Agile to address, the agency's concern regarding the "composite team skill set" necessary for contract performance. AR, Tab 7, at 35. That is, the agency states that it was primarily concerned with Agile's composite labor rate, rather than any individual rate. Supp. Contracting Officer's Statement, Oct. 2, 2014, at 2. The agency elaborates that it recognized the solicitation did not link the [redacted] to any particular CLIN and, accordingly, it understood that Agile's fully-burdened rates for the other labor categories could effectively include [redacted]. *Id.* Thus, although the agency's EN made a reference to Agile's [redacted] as an example, the agency's concern was not with the cost [redacted] per se but, rather, with Agile's composite labor rate. *Id.* In this

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<sup>15</sup> AAST's protest also refers to various purported "strengths" in its proposal that AAST asserts the agency "overlooked." Protest at 1, 12-13. We have reviewed all of AAST's allegations regarding the agency's technical evaluation and find no merit in them.

<sup>16</sup> The solicitation contained specifically defined labor categories for which offerors were required to propose fully-burdened, fixed labor rates. AR, Tab 4d, RFP amend. 3, at 168-174. The solicitation provided that the offerors' fully-burdened labor rates would be evaluated for reasonableness and realism. AR, Tab 4g, RFP amend. 6, at 16.

context, the agency states that Agile's response, along with the agency's comprehensive, documented cost/price evaluation, was adequate to address the agency's concern without specifically resolving where Agile chose to include its [redacted] costs. Id.

Where a solicitation anticipates award of fixed-price or time-and-materials task order with fixed-price fully-burdened labor rates, the price realism of a proposal is not ordinarily considered, since the risk and responsibility for contract costs is on the contractor. OMV Med., Inc.; Saratoga Med. Ctr., Inc., B-281387 et al., Feb. 3, 1999, 99-1 CPD ¶ 52 at 5; Ball Aerospace & Techs. Corp., B-402148, Jan. 25, 2010, 2010 CPD ¶ 37 at 8 n.7. Nonetheless, a solicitation may provide for a price realism analysis for purposes of measuring an offeror's understanding of the solicitation requirements or assessing risk. See, e.g., The Cube Corp., B-277353, Oct. 2, 1997, 97-2 CPD ¶ 92 at 4; Ameriko, Inc., B-277068, Aug. 29, 1997, 97-2 CPD ¶ 76 at 3. As we have held, the depth of an agency's evaluation in this regard is within the sound exercise of the agency's discretion, and an agency is not obligated to verify each and every cost/price element of an offeror's proposal. See Citywide Managing Servs. of Port Washington, Inc., B-281287.12, B-281287.13, Nov. 15, 2000, 2001 CPD ¶ 6 at 4-5. Our review of an agency's price realism analysis is limited to determining whether it was reasonable and consistent with the terms of the solicitation. See Smiths Detection, Inc.; Am. Sci. & Eng'g, Inc., B-402168.4 et al., Feb. 9, 2011, 2011 CPD ¶ 39 at 17. In this regard, the fact that an offeror's price is below a government cost estimate does not require the agency to conclude that the price is unrealistically low, since we have recognized that an agency may find even a below-cost price to be realistic. Optex Sys., Inc., B-408591, Oct. 30, 2013, 2013 CPD ¶ 244 at 5-6; Network Innovations, Inc., B-408382, B-408382.2, Sept. 4, 2013, 2013 CPD ¶ 220 at 5.

Here, the agency has explained the basis for concluding that Agile reasonably addressed the agency's concerns regarding its proposed labor rates. As discussed above, Agile's response noted that its proposed labor rates reflected [redacted], permitting Agile to [redacted]; further noted that the work the agency was relying on for comparison purposes had been performed by large businesses, and that the rates of a small business would be lower; and represented that, overall, its proposed cost/price was consistent with "actual, recent cost experience" for the work described in the PWS. AR, Tab 9, at 2-3.

As noted above, the solicitation here advised offerors that proposals would be evaluated under the cost/price factor "using one or more of the techniques defined in FAR 15.404-1,"<sup>17</sup> AR, Tab 4g, RFP amend. 6, at 16, and the contemporaneous

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<sup>17</sup> The price analysis techniques identified in FAR § 15.404-1 include comparison of a proposed price to other proposed prices, comparison to a government cost estimate, and comparison to historical prices.

evaluation record here contains extensive documentation supporting the agency's consideration of the offerors' proposed prices. AR, Tab 16, Cost Evaluation, at 1-187; AR, Tab 17, Price Competition Memorandum, at 1-27. Among other things, the agency performed comparisons of each offeror's price to the GCE and to the prices of other offerors both at the summary level and by contract type. AR, Tab 16, Cost Evaluation Report, at 9-10, 34, 111; AR, Tab 17, Price Competition Memorandum, at 10, 15-18. The agency's calculations indicated that, while Agile's price was 36 percent lower than the GCE, AAST's price was, similarly, 30 percent below the GCE. AR, Tab 17, Price Competition Memorandum, at 9-10. Further, the agency documented its assessment as to why both offerors' proposals were significantly lower than the GCE, noting that: the GCE included an OEM SME labor category that the PWS did not require; the GCE was based on higher, historical staffing levels and reflected higher hours per man-year; and the lower prices reflected a "strong competitive environment."<sup>18</sup> Id. Finally, the agency also compared variables that it considered to be cost drivers (for example, staffing and hours per man-year) and calculated median labor rates, along with average labor rates and composite labor rates for each offeror. AR, Tab 16, Cost Evaluation at 24, 34, 38-39, 40-47, 111, 115, 116-123.

On this record, we do not question the adequacy or reasonableness of the agency's price realism analysis. Indeed, while the agency recognized that both offerors' prices were lower than expected, based on the agency's consideration of the offerors' responses to discussion questions and its independent cost/price evaluation, the agency concluded that the prices were reasonable and realistic. While AAST may disagree with the agency's various judgments, such disagreement provides no basis to sustain its protest. Accordingly, AAST's protest challenging the agency's evaluation under the cost/price evaluation factor is denied.

#### Agency's Risk Assessment

Next, AAST asserts that the agency "neglected to evaluate the risks associated with offerors' proposals," as contemplated by the solicitation. Supp. Protest at 20. More specifically, AAST asserts that the agency was required to separately consider, and

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<sup>18</sup> Oddly, AAST argues that the agency's reference to the GCE's inclusion of an OEM SME labor category that the PWS did not require reflects a flaw in the agency's evaluation. AAST complains that this fact "cannot explain the difference in cost/price between Agiles' proposal and AAST's." Supp. Protest at 12. First, the agency's evaluation expressly notes that neither Agile nor AAST's [redacted], and nothing in the record suggests that the agency considered this fact as a basis for distinguishing between the two proposals. AR, Tab 17, Price Negotiation Memorandum at 9-10. To the extent AAST's protest constitutes an assertion that AAST's price was a mandatory benchmark for evaluation of Agile's price, its assertion is without merit.

document its separate assessments, regarding: (1) the risk of schedule disruption; (2) risk of increased cost; (3) risk of performance degradation; (4) risk of increased need for government oversight; and (5) risk of unsuccessful performance. Id. AAST asserts that the “scant analysis of risk the Air Force did conduct fell well short of the required review.” Id. We disagree.

The Competition in Contracting Act of 1984 (CICA) requires that solicitations include a statement of evaluation factors and requires agencies to evaluate proposals on the basis of those stated factors. 10 U.S.C. §§ 2305(a)(2), 2305(b)(1) (2012); see, e.g., Gray Personnel Servs., Inc., B-285002, B-285002.2, June 26, 2000, 2000 CPD ¶ 112 at 3. In reviewing an agency’s evaluation of proposals, our Office will not reevaluate the proposals, but will examine the record to ensure that the agency’s evaluation was reasonable and consistent with the terms of the solicitation. Applied Tech. Sys., Inc., supra.

As noted above, the solicitation expressly advised offerors that, in evaluating each proposal under the management and technical evaluation factors, the agency would assign a single adjectival rating of outstanding, acceptable, or unacceptable, and that the assignment of such ratings “includes consideration of risk in conjunction with the [management/technical] ratings.” AR, Tab 4g, RFP amend. 6, at 14, 15. The solicitation elaborated that “[r]isk assesses the degree to which an Offeror’s proposed approach to achieving the factors may involve risk of disruption of schedule, increased cost, or degradation of performance, the need for increased Government oversight, and the likelihood of unsuccessful contract performance.” Id. (Emphasis added.)

First, to the extent AAST is asserting that the solicitation required the agency to perform, and document, separate risk assessments regarding the individual risks identified in the solicitation, AAST is mistaken. As noted above, the solicitation provided that the agency’s risk assessment “may” reflect schedule disruption, increased cost, degradation of performance, increased government oversight, and the likelihood of unsuccessful contract performance. Id. Accordingly, we reject AAST’s assertion that each potential risk identified in the solicitation constituted a separate evaluation factor that the agency’s evaluation documentation was required to address. Further, the record here establishes that the agency did, in fact, consider risk in assigning the management and technical ratings to AAST’s and Agile’s proposals.

For example, in evaluating Agile’s proposal under the management factor, the agency’s evaluation documentation stated that “[Agile’s] proposed [redacted], along with the [redacted] limits the risk of insufficient task oversight”; that its proposal with regard to [redacted] and [redacted] “indicate an effective strategy to risk management”; that “[Agile’s] risk of unsuccessful hiring or retention is low”; and that, with regard to transition, Agile “has proposed a [redacted] which captures all significant tasks with adequate durations and sequencing.” AR, Tab 15, Evaluation

Summary, at 3-4. In evaluating Agile's proposal under the technical factor, the agency's evaluation noted that "[Agile's] [redacted] would result in moderate risk of unsuccessful performance." Id. at 4.

Similarly, in evaluating AAST's proposal under the management factor, the agency's evaluation noted that AAST's transition plan "proposed a moderate risk schedule." Id. at 10. In evaluating AAST's proposal under the technical factor, the agency's evaluation concluded that "[AAST's] risk of unsuccessful performance is no worse than moderate." Id.

Since the solicitation contemplated the agency's incorporation of its risk assessment into the adjectival ratings assigned under the management and technical evaluation factors, and the agency's evaluation record establishes that risk was, in fact, incorporated into those ratings, we reject AAST's protest challenging the agency's evaluation with regard to consideration of risk.

#### Consideration of Proposals' Relative Merits

Finally, AAST asserts that the agency "failed to perform" a qualitative assessment of the relative merits of AAST's and Agile's proposals, effectively transforming the procurement into one conducted on a lowest-priced technically-acceptable basis. Protest at 2, 13-15. The record is to the contrary.

In a best-value procurement, it is the function of the SSA to perform a price/technical tradeoff to determine whether one proposal's technical superiority is worth a higher price. MVM, Inc., B-403912.3, May 26, 2011, 2012 CPD ¶ 129 at 11. The extent of such tradeoffs is governed only by the test of rationality and consistency with the evaluation criteria. General Dynamics--Ordnance & Tactical Sys., B-401658, B-401658.2, Oct. 26, 2009, 2009 CPD ¶ 217 at 8. Thus, a protester's disagreement with an agency's determinations as to the relative merits of competing proposals, or its disagreement with the agency's judgment as to which proposal offers the best value to the agency, does not establish that the evaluation or source selection was unreasonable. MVM, Inc., supra.

Here, the record establishes that the agency evaluators and the contracting officer both considered, and documented their assessments regarding the relative merits of the competing proposals. Specifically, with regard to Agile's proposal, the contracting officer's decision document states:

Agile Defense demonstrates an exceptional approach to accomplishing the specific technical objectives. Agile Defense has a [redacted] with a [redacted] which limits risk of insufficient task oversight. Agile Defense has an exceptional approach to the Organizational Breakdown Structure. Agile Defense uses a [redacted] and an [redacted] and [redacted] to ensure [redacted] is provided.

Agile Defense's [redacted] and [redacted] are an effective strategy to risk management. Agile Defense provided an exceptional approach to acquire and maintain SME staff and an adequate approach to acquire and maintain engineering lead staff with the requisite qualifications and have a [redacted].

AR, Tab 18, Decision Document at 5.

Similarly, with regard to AAST's proposal, the decision document stated:

AAST uses an exceptional approach to accomplish the specific technical objectives. The management structure is extremely well defined and clearly delineates roles and responsibilities amongst team members. AAST identified a [redacted] with [redacted] as well as [redacted]. AAST has an effective Organizational Breakdown Structure. AAST effectively identified transition risks. AAST presented an exceptional approach to acquiring and maintaining an Engineering lead staff and an adequate approach to acquire and maintain SME staff. AAST has an [redacted] which utilizes [redacted] to [redacted].

Id.

Finally, the contracting officer's decision document specifically concluded that "nothing in AAST's proposal outweighed the cost difference," and recognized that Agile had proposed [redacted] FTEs throughout the entire contract period.<sup>19</sup> Id. at 6.

On this record, we reject AAST's assertion that the agency failed to properly consider the relative merits of the competing proposals in making the source

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<sup>19</sup> In contrast, the record is clear that, while AAST proposed [redacted] FTEs for the base period and first option period, it decreased proposed personnel to [redacted] FTEs for the second and third option periods. The contracting officer acknowledges that his decision document omitted a reference to the [redacted] FTES AAST proposed for the first performance periods. Nonetheless, there is no dispute that, in fact, AAST proposed to decrease its manning levels during the second and third option periods from [redacted] FTEs to [redacted] FTEs. Protest at 8-9. Further, the agency's underlying evaluation documents, which the contracting officer considered, clearly recognized that AAST proposed fewer total personnel for contract performance. See, e.g., AR, Tab 17, Price Competition Memorandum, at 19. Accordingly, we do not view the decision document's omission of a reference to AAST's staffing level during the first performance periods as a basis for sustaining the protest.

selection decision. To the contrary, the evaluation record reflects a reasoned consideration of both the cost/price and technical merits of the competing proposals.

The protest is denied.

Susan A. Poling  
General Counsel