



**G A O**

Accountability \* Integrity \* Reliability

**Comptroller General  
of the United States**

**United States Government Accountability Office  
Washington, DC 20548**

**DOCUMENT FOR PUBLIC RELEASE**

The decision issued on the date below was subject to a GAO Protective Order. This redacted version has been approved for public release.

## Decision

**Matter of:** Raytheon Company-Missile Systems Division

**File:** B-408906.4; B-408906.5; B-408906.6

**Date:** March 17, 2015

---

Joseph P. Hornyak, Esq., Gregory Hallmark, Esq., and Elizabeth N. Jochum, Esq., Holland & Knight LLP, for the protester.

Michael R. Charness, Esq., Jamie F. Tabb, Esq., and Melissa Hastings, Esq., Vinson & Elkins LLP, and Catherine K. Ronis, Esq., for BAE Systems Information and Electronic Systems Integration Inc.; and David Z. Bodenheimer, Esq., Robert J. Sneckenberg, Esq., and Olivia L. Lynch, Esq., Crowell & Moring LLP, for DRS RSTA, Inc., the intervenors.

Debra J. Talley, Esq., and David H. Scott, Jr., Esq. Department of the Army, for the agency.

Cherie J. Owen, Esq., and David A. Ashen, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

---

### DIGEST

1. Protest challenging the agency's technical evaluation is denied where the agency reasonably determined that a greater advantage under a less important evaluation element offset a lesser advantage under a more important evaluation element.

2. Protest that the agency unreasonably concluded that awardee's lower technical risk was worth its 2.9% price premium is denied where the agency reasonably concluded that the protester's higher technical risk had the potential to result in higher cost and program delays.

---

### DECISION

Raytheon Company-Missile Systems Division, of McKinney, Texas, protests the Department of the Army, Army Materiel Command's award of indefinite-delivery/indefinite-quantity (ID/IQ) contracts to BAE Systems Information and Electronic Systems Integration Inc. (BAE), of Nashua, New Hampshire, and DRS RSTA, Inc. (DRS), of Dallas, Texas, under request for proposals (RFP) No. W91CRB-13-R-0028, for enhanced night vision goggles and rifle-mounted

thermal sights. Raytheon challenges the evaluation of technical proposals and asserts that the source selection decision was unreasonable.

We deny the protest.

## BACKGROUND

The agency sought proposals to provide night vision and related technology under two separate programs. The first is for enhanced night vision goggles (ENVG), which consist of a goggle, helmet mount assembly, and battery pack, and provide image intensification combined with thermal imagery to allow soldiers to see, understand, and act more quickly during limited visibility conditions. See AR, Tab 1, RFP, at 31. The enhanced night vision goggle program is a mature program. Contracting Officer's Statement in Response to B-408906.2, at 5. The second is a rifle-mounted thermal sight that is part of the Family of Weapon Sights-Individual (FWS-I) program. RFP at 31. The thermal sight is a lightweight, infrared imaging device of medium to high resolution used for surveillance and target acquisition by individual weapons during daylight, darkness, adverse weather, and "dirty" battlefield conditions. It wirelessly transmits the reticle and display from the weapon sight to the enhanced night vision goggle display. The rifle-mounted thermal sight is in the engineering, manufacturing, and development phase. Contracting Officer's Statement in Response to B-408906.2, at 5. When these two technologies are paired, the basic battery pack used by the night vision goggles is replaced by a rapid target acquisition ("smart") battery pack, which receives wireless data from the rifle-mounted sight and transmits the data to the goggle display, resulting in rapid target acquisition capability. Id. at 2; AR, Tab 13, Solicitation Attachments, Attachment 2, FWS-I Product Description, at 1. This rapid target acquisition capability is expected to reduce, by up to 50%, the time from target detection to effective engagement of the threat target. RFP at 2.

The solicitation, issued on June 12, 2013, provided for the award of no more than two five-year indefinite-delivery/indefinite-quantity contracts, each of which would include fixed price (enhanced night vision goggles) and cost-plus-fixed-fee (rifle-mounted sight) line items. RFP at 2. Award was to be made on a best value basis, considering the following five evaluation factors: (1) technical integration, including subfactors (in descending order of importance) for FWS-I performance, integrated logistics, integrated quality assurance, and integrated program management; (2) cost, including subfactors for price/cost analysis and cost realism for cost reimbursable requirements; (3) enhanced night vision goggle performance, including subfactors for sample hardware performance and proposal performance; (4) past performance, including subfactors for relevance and performance confidence assessment; and (5) small business, including subfactors for small business participation plan and small business subcontracting plan. RFP at 159. The technical integration factor was the most important factor and was significantly more important than cost. The last three factors--enhanced night vision goggle

performance, past performance and small business--were to be evaluated on a pass/fail basis. Id. Award was to be made on a best-value basis considering the technical integration factor and cost. Id.

As set forth above, the technical integration factor was broken down into four subfactors: FWS-I (rifle-mounted sight) performance; integrated logistics; integrated quality assurance; and integrated program management. The FWS-I performance subfactor was moderately more important than the other three subfactors combined. RFP at 159. The FWS-I performance subfactor was further broken down into two elements: sample hardware<sup>1</sup> performance and proposal performance. Id. at 161-63. With regard to the first element, the RFP provided that sample hardware performance would be evaluated by taking technical measurements of the sample hardware to determine the extent to which performance claims in the proposals could be substantiated. Id. at 161.

With regard to the second element, proposal performance, the agency was to evaluate the proposed specifications for the rifle-mounted thermal sight proposed by each offeror. Under this element, the following five performance characteristics were to be given priority (in descending order of importance): (1) FWS-I weapon sight battery life; (2) total system weight; (3) RTA battery pack battery life; (4) horizontal field-of-view; and (5) target recognition range. Id. at 162-64. As relevant here, with regard to field-of-view, the solicitation set forth the following evaluation scheme:

18 degrees	Threshold
>22.0 degrees to < 26.0 degrees	Strength
≥ 26.0 degrees	Significant Strength

RFP at 164. With regard to target recognition range, the solicitation identified the following evaluation scheme<sup>2</sup>:

---

<sup>1</sup> Offerors were to submit three representative rifle-mounted infrared sights for each proposed configuration as a sample to assist in evaluation of their proposed solution. RFP at 144.

<sup>2</sup> The solicitation specified that range would be measured by achieving 70% or greater probability of recognizing a personnel-sized target during night engagements in atmospheric conditions which provide seven kilometer visibility along an unobstructed line of sight. RFP at 164.

960 meters	Threshold
≥ 1080 meters to < 1200 meters	Strength
≥ 1200 meters	Significant Strength

Id.

The agency received five proposals by the September 17 closing date. On September 19, all offerors gave oral presentations and sample hardware demonstrations. AR at 2. Thereafter, the agency conducted two rounds of discussions with the offerors, each followed by a request for revised proposals.

On May 7, 2014, the agency made its initial award decision, selecting DRS and BAE. After Raytheon protested the award decision to our Office, we conducted a hearing during which testimony was provided by the source selection authority, a member of the source selection advisory council, and a member of the source selection evaluation board. After the hearing, the agency advised our Office that it was taking corrective action and would reopen discussions, allow final proposal revisions, and make a new award decision. Therefore, we dismissed Raytheon's protests as academic. B-408906.2, B-408906.3, Aug. 6, 2014.

The agency thereafter notified the offerors that they could submit proposal revisions, and all five offerors, including DRS, BAE, and Raytheon, submitted final proposal revisions by the August 26 due date. After reviewing the final proposal revisions, the agency evaluated proposals as follows:

<b>Evaluation Factor</b>	<b>Raytheon</b>	<b>BAE</b>	<b>DRS</b>
Technical Integration	Good	Outstanding	Outstanding
FWS-I (rifle-mounted sight) Performance Subfactor	Good	Outstanding	Outstanding
Integrated Logistics Subfactor	Good	Good	Good
Integrated Quality Assurance Subfactor	Good	Good	Good
Integrated Program Management Subfactor	Good	Good	Outstanding
Enhanced Night Vision Goggle Performance (pass/fail)	Acceptable	Acceptable	Acceptable
Past Performance (pass/fail)	Acceptable	Acceptable	Acceptable
Small Business (pass/fail)	Acceptable	Acceptable	Acceptable
Evaluated Cost	\$402,022,843	\$414,395,073	\$366,103,253

AR, Tab 527, SSEB Report at 18-20; AR, Tab 526, Final Cost Report, at 2.

In selecting the two firms to receive an award, the agency first took into account that DRS was both the highest technically rated and the lowest-priced of all the offerors, and selected DRS for award.<sup>3</sup> AR, Tab 523, Source Selection Decision Document (SSDD), at 7. In making the second award, the source selection authority (SSA) noted that, under the technical factor, both Raytheon and BAE were equal in merit under three subfactors: integrated logistics, integrated quality assurance, and integrated program management. However, under the most important technical subfactor, FWS-I (rifle-mounted sight) performance, the SSA found some discriminators between the two proposals. Therefore, the FWS-I performance subfactor and cost were the primary areas of discrimination between the offerors. SSDD at 7-8.

To assist the SSA in making her tradeoff decision, the source selection advisory council (SSAC) analyzed the proposals of Raytheon and BAE and provided the SSA with a report that detailed the differences between the proposals. In this

<sup>3</sup> The protester has withdrawn all challenges of the award to DRS; therefore, we will not further discuss the agency's selection of DRS's proposal.

regard, the SSAC made the following findings with regard to the performance characteristics under the FWS-I (rifle-mounted sight) performance subfactor:

<b>Performance Characteristic</b> (descending order of importance)	<b>Raytheon Performance Specification</b>	<b>BAE Performance Specification</b>
FWS-I weapon sight battery life	[DELETED]	[DELETED]
Total system weight	[DELETED]	[DELETED]
RTA battery pack battery life	[DELETED]	[DELETED]
<b>Field-of-view</b>	[DELETED]	[DELETED]
<b>Target recognition range</b>	[DELETED]	[DELETED]

AR, Tab 525, SSAC Comparative Analysis, at 22 (emphasis added to characteristics that served as discriminators).

As shown above, the two proposals differed under the field-of-view and target recognition range characteristics, which served as discriminators. In this regard, the SSAC noted that Raytheon’s proposal offered an advantage with regard to field-of-view, while BAE’s proposal offered an advantage with regard to range. SSAC Comparative Analysis at 29. Specifically, BAE’s proposal [DELETED] for field-of-view and [DELETED] for target recognition range, while Raytheon’s proposal [DELETED] for field-of-view and [DELETED] for target recognition range.<sup>4</sup> *Id.* at 22.

The SSAC further found that the amount of risk associated with the two proposals was another discriminator. In this regard, the SSAC concluded as follows:

---

<sup>4</sup> In the initial evaluation, and in the SEB’s reevaluation, Raytheon’s proposal was assigned [DELETED] for proposing a [DELETED] degree field-of-view. However, the SSAC did not assign Raytheon [DELETED] for its field-of-view, noting that Raytheon’s [DELETED] degree field of view did not satisfy the RFP’s requirement that field-of-view be [DELETED] to merit [DELETED]. SSAC Comparative Analysis at 22; *see* RFP at 164. However, despite this modification of the rating, the SSAC (and SSA) acknowledged that Raytheon’s [DELETED] degree field-of-view was “clearly greater than the BAE’s [DELETED] offer of [DELETED] degrees,” and considered Raytheon’s field-of-view to be a discriminator in the firm’s favor. SSAC Comparative Analysis at 29; *see* SSDD at 14.

BAE: Sample hardware supports the proposed design. Updated FPR shows [DELETED] has been produced, assembled and tested. Design is robust, consistent and offers a product that is mature; not just a paper proposal but a system that has actually been designed, built and tested. BAE offer provides two on-the-shelf, produced and tested options with both [DELETED] and [DELETED] capability. The BAE proposal offers very low risk of unsuccessful performance.

Raytheon: Sample hardware supports some proposed performance, but not all for Raytheon[;] their revised optics design are not yet produced so the sample hardware values are not representative of the final [field-of-view] proposed. The range deficiency on their hardware has been corrected through paper proposal. While Raytheon has taken steps to reduce risk, the lesser maturity of their design makes their offer more risky than that of BAE. The latest revised optics design has risk associated with untested performance for weapon shock. New lens design can experience failure during weapon shock which can require redesign and/or remanufacture of the lens assembly. The impact of the risk difference is important because corrections, redesigns or remanufacture of an unproven design can cause programmatic schedule delays. Risk is considered low, but not as low as BAE which is very low.

#### SSAC Comparative Analysis at 30.

In comparing BAE's and Raytheon's proposals, the SSAC emphasized that, of the three discriminators between the proposals (field-of-view, range, and technical risk) BAE had the comparative advantage in two. SSAC Comparative Analysis at 30. Although the SSAC acknowledged Raytheon's advantage in field-of-view, which was considered to be more important than range under the terms of the RFP, it concluded that the trade-off between field-of-view and range was "largely offsetting." Id. In this regard, the SSAC stated that

while . . . the [DELETED] meter advantage BAE has over Raytheon in range is arguably operationally more valuable, the [field-of-view] advantage Raytheon has in the higher rated characteristic makes this comparison a wash with no meaningful difference worth a price differential between [field-of-view] and Target Recognition Range.

Id. at 33. With regard to the SSAC's finding that BAE's advantage was "operationally more valuable," the SSAC Chair testified that the phrase was meant to convey the SSAC's view that BAE's [DELETED] meter advantage in range

offered a more appreciable advantage than Raytheon's [DELETED] degree advantage in field-of-view. Tr. at 11.<sup>5</sup>

Since Raytheon's and BAE's advantages in field-of-view and range, respectively, were considered to be equally advantageous, and BAE's proposal offered lower risk, the SSAC concluded that BAE's proposal was technically superior. SSAC Comparative Analysis at 33. Noting that under the RFP's evaluation criteria the technical factor was significantly more important than cost, the SSAC concluded that BAE's lower technical risk was worth the 2.9% cost differential between the two proposals. Id. at 35. Therefore, the SSAC recommended award to BAE.

In making her tradeoff decision, the SSA accepted the SSAC's conclusions and recommendations. SSDD at 12-16. With regard to field-of-view and range, the SSA accepted the SSAC's conclusion that while BAE's [DELETED] meter advantage over Raytheon in range was "arguably operationally more valuable," Raytheon's field-of-view advantage was in a more important evaluation characteristic according to the solicitation, thus making the "comparison a wash with no meaningful difference worth a price differential between [field-of-view] and Target Recognition Range." Id. at 15. The SSA also agreed with the SSAC that BAE's proposal presented lower risk and that the lower risk was worth the 2.9% cost premium associated with BAE's proposal. Id. at 16. Therefore, the SSA selected BAE's proposal for award. This protest followed.

## DISCUSSION

Raytheon challenges the agency's conclusion that Raytheon's advantage in field-of-view was offset by BAE's advantage in range. Raytheon also challenges the agency's conclusion that BAE's proposal posed a lower degree of technical risk, and that the lower risk justified the 2.9% price premium.

In reviewing protests challenging an agency's evaluation of proposals, our Office does not independently evaluate proposals; rather, we review the agency's evaluation to ensure that it is consistent with the terms of the solicitation and applicable statutes and regulations. iGov, et al., B-408128.24 et al., Oct. 31, 2014, 2014 CPD ¶ 329 at 8; The Boeing Co., B-409941, B-409941.2, Sept. 18, 2014, 2014 CPD ¶ 290 at 6. We have long held that the evaluation of proposals is a matter within the discretion of the procuring agency; we will question the agency's evaluation only where the record shows that the evaluation does not have a reasonable basis or is inconsistent with the RFP. iGov, et al., supra; Hardiman

---

<sup>5</sup> Our Office conducted a hearing on the record with respect to the current protest to obtain testimony from the SSA and the SSAC Chair regarding the tradeoff decision, and specifically, the agency's conclusion that BAE's advantage in range was "operationally more valuable" than Raytheon's advantage in field-of-view.

Remediation Servs., Inc., B-402838, Aug. 16, 2010, 2010 CPD ¶ 195 at 3. Here, we find the evaluation and source selection decision to be reasonable.

#### FWS-I Performance Characteristics (Field-of-View and Range)

Raytheon raises several challenges to the agency's consideration of field-of-view and range. First, Raytheon argues that, to the extent the agency based its decision on the mere presence or absence of a formal [DELETED], the evaluation is improper and overly mechanical for failing to take into account the substantive differences between the two proposals. Specifically, Raytheon contends that its proposed field-of-view of [DELETED] degrees should have been assigned [DELETED].

As discussed, under the solicitation, [DELETED] was to be assigned for a field-of-view "[DELETED]," that is, [DELETED]. RFP at 164. In the initial round of evaluations, prior to the agency's corrective action, the agency assigned Raytheon's proposal [DELETED] for proposing a field-of-view of [DELETED] degrees. However, during its reevaluation, as set forth above, the SSAC and SSA noted that Raytheon did not propose a field-of-view [DELETED], and therefore, could not be assigned [DELETED] under the terms of the solicitation. SSAC Comparative Analysis, at 22; SSDD at 14.

Raytheon challenges this conclusion, arguing that the difference between [DELETED] and [DELETED] "was a matter of an infinitesimally small fraction of a degree," and that it was improper for the SSA to place dispositive weight on the mere presence or absence of an adjectival rating without regard to the underlying qualitative difference between the two proposals. Raytheon Comments at 3.

We find no merit to this argument. As an initial matter, Raytheon's assertion that its proposal should have received [DELETED] for a field-of-view of [DELETED] degrees amounts to a challenge to the terms of the solicitation, which provided for assigning [DELETED] only where field-of-view [DELETED]. Under our Bid Protest Regulations, any such challenge to the solicitation was required to be filed prior to the closing date for receipt of proposals in order to be timely. Bid Protest Regulations, 4 C.F.R. § 21.2(a)(1) (2014).

However, while the agency properly did not assign Raytheon's proposal [DELETED] for field-of-view, the contemporaneous evaluation documents demonstrate that the agency considered the substantive differences between the two proposals and did not, as the protester urges, place dispositive weight on the mere presence or absence of an adjectival rating. Specifically, in the source selection decision, the SSA noted that one of the areas in which there was a discernable difference was the field-of-view characteristic, in which BAE [DELETED] and Raytheon exceeded the requirement. SSDD at 14. In this regard, the SSA stated:

Per the RFP, [Raytheon's [DELETED] degree field-of-view] does not equate to [DELETED]; however I acknowledge Raytheon's advantage in FOV [field-of-view] in the higher rated performance characteristic due to the [DELETED] degree difference over BAE's [DELETED] degree offer in FOV.

Id.

Since the contemporaneous record reflects that the SSA did consider the substantive differences between the two proposals in the area of field-of-view, we find no basis on which to sustain this protest ground.<sup>6</sup>

Next, Raytheon argues that the agency's conclusion that Raytheon's advantage in field-of-view and BAE's advantage in range were a "wash," and cancelled each other out, is not in accordance with the RFP's stated order of importance of the performance characteristics. Specifically, Raytheon cites the SSA's position (accepting the SSAC's conclusion) that while BAE's [DELETED] meter advantage over Raytheon in range is "arguably operationally more valuable," Raytheon's field-of-view advantage "in the higher rated characteristic makes this comparison a wash

---

<sup>6</sup> Raytheon also argues that the agency acted improperly in failing to inform the protester that its [DELETED] degree field-of-view was no longer considered to be [DELETED], since the agency had assigned [DELETED] to the protester's field-of-view in its initial evaluation. Raytheon at 9. Raytheon contends that the agency by its silence misled it into believing that [DELETED] would be assigned for its field-of-view. Id. ("had the Agency informed Raytheon that its FOV was no longer viewed as [DELETED] because its commitment [DELETED], Raytheon clearly could have changed its commitment to [DELETED]"). However, an agency need not raise in discussions any and all downward changes in its evaluation of a proposal. Rather, under the FAR, agencies need only raise during discussions significant weaknesses and deficiencies. Federal Acquisition Regulation § 15.306(d)(3); see Nuclear Production Partners LLC, B-407948.10, B-407948.11, Feb. 27, 2014, 2014 CPD ¶ 86 at 11 (an agency need not discuss areas in which a proposal may merely be improved). Moreover, as set forth above, Raytheon has failed to demonstrate any prejudice as a result of the agency's not informing the firm that its field-of-view would no longer be considered [DELETED]. That is, although the SSA did not formally credit Raytheon's field-of-view with [DELETED], she acknowledged and considered the substantive differences between BAE's field of view, which [DELETED], and Raytheon's field-of-view, which substantially [DELETED]. SSDD at 14. Nothing in the record supports Raytheon's position that if it had been able to change its proposed field-of-view to, for example, [DELETED] degrees, Raytheon Comments at 7, the agency's evaluation or tradeoff decision would have been any different. See Bannum, Inc., B-408838, Dec. 11, 2013, 2013 CPD ¶ 288 at 4 (prejudice is an element of every viable protest).

with no meaningful difference worth a price differential.” SSDD at 33. The protester contends that the SSA’s characterization of BAE’s advantage in range as “operationally more valuable” reflects the agency’s belief that range was the more important performance characteristic, despite the RFP’s prioritization of field-of-view over range.

However, neither the contemporaneous record, nor the testimony of the SSAC Chair or the SSA support this interpretation of the phrase “operationally more valuable” in the source selection decision. Although the contemporaneous record was unclear regarding the meaning of the phrase, both agency witnesses explained that “operationally more valuable” referred to the fact that BAE’s proposal earned [DELETED]. Tr. at 11-12; 17. In addition, the SSAC Chair, in her testimony, stressed that it was the magnitude of the advantage in range--[DELETED] meters--not the performance characteristic itself that was considered to be operationally more valuable. Tr. at 11. While we generally give little weight to reevaluations and judgments prepared in the heat of the adversarial process, Boeing Sikorsky Aircraft Support, B-277263.2, B-277263.3, Sept. 29, 1997, 97-2 CPD ¶ 91 at 15, post-protest explanations that provide a detailed rationale for contemporaneous conclusions and simply fill in previously unrecorded details will generally be considered in our review of evaluations where those explanations are credible and consistent with the contemporaneous record. Windstream Communications, B-409928, Sept. 9, 2014, 2014 CPD ¶ 271 at 5 n.5. Here, we find the agency witnesses’ explanations to be reasonable and consistent with the contemporaneous record. We also find that it was within the agency’s discretion to conclude that BAE’s [DELETED]-meter advantage in range, under which BAE received [DELETED] versus Raytheon’s [DELETED], was essentially equivalent to Raytheon’s [DELETED] degree advantage in field-of-view (the more important performance characteristic), under which neither offeror [DELETED] in accordance with the terms of the solicitation. Therefore, this protest ground is denied.

## Risk

As discussed, the agency concluded that Raytheon’s proposal had a “low” degree of risk, while BAE’s proposal had a “very low” degree of risk. SSDD at 15. Raytheon asserts that the agency’s evaluation of risk was unreasonable, arguing that the agency erred in finding that Raytheon’s change to its optics design created proposal risk. Raytheon also argues that the agency treated the parties unequally by assessing risk as a result of Raytheon’s changes to its proposed rifle-mounted sight optical design, but not similarly assessing risk to BAE’s proposal as a result of the difference between BAE’s proposed design and its sample hardware.

In this regard, the agency, during its review of Raytheon’s initial proposal, noted a problem with the firm’s optics design, with Raytheon’s system offering an advantageous ([DELETED]) field-of-view of [DELETED] degrees, but with insufficient range. SSAC Comparative Analysis at 21; see AR, Tab 300, Raytheon

Initial Proposal, at 13. Specifically, the agency found that the system was unlikely to meet the threshold requirement for target recognition range, resulting in a significant weakness. AR, Tab 98, Raytheon Evaluation Notice Response T11AAA-24, at 2. During discussions, the agency raised this significant weakness with Raytheon and, in response, Raytheon raised the possibility of an “alternative” design that would [DELETED] in order to increase the system’s range to the required threshold. Id. According to Raytheon, the change would require modification of the imager optics and eyepiece optics, and addition of a focus ring. Id. at 7. During a later round of discussions, Raytheon stated that it would revise its proposal to adopt its alternate system, resulting in a system with a [DELETED]. AR, Tab 122, Raytheon Evaluation Notice Response T11AAA-59, at 4. Thus, although Raytheon’s initial proposal offered a system with [DELETED], and its sample hardware was built in accordance with the system offered in Raytheon’s initial proposal, the final proposal differed from these specifications.

In evaluating Raytheon’s proposal, the agency noted the changed design, finding that:

Raytheon’s sample hardware FOV [field-of-view] measurements are for a different design than their final proposal. The [DELETED] initially awarded for their hardware was negated through later design changes in FOV. Raytheon’s FOV design has changed and their final FOV offer includes a design that has not been produced, assembled or tested. This recent FPR [final proposal revision] design change affects both FOV and Target Recognition Range and only provides a paper proposal [as opposed to sample hardware] to validate performance. Because Raytheon’s sample hardware does not provide a clear demonstration of technical capability proposed, there is technical risk associated with Raytheon’s FPR design.

SSAC Comparative Analysis at 34.

Raytheon contends that the changes to its eyepiece and imager should not have resulted in any concern over risk. With regard to the eyepiece, the protester contends that it is nearly the same as that of the sample hardware, since it [DELETED]. Raytheon Comments at 18 (citing AR, Tab 407, Raytheon Final Proposal, at 13). With regard to the imager, the protester argues that, “while different from the sample hardware submission, [the imager] [DELETED]. Raytheon Comments at 18. In this regard, Raytheon argues that the fact that its proposal to use [DELETED] should have lessened any concerns that Raytheon could encounter design flaws. Id. at 19. Raytheon also asserts that BAE also planned to produce a product that differed from its sample hardware. In this regard the protester notes

that BAE's proposal offers a [DELETED]<sup>7</sup> focal plane array, but its sample hardware had a [DELETED] focal plane array.<sup>8</sup> Id. at 17.

We find that the record supports the agency's assignment of a low risk rating to Raytheon's proposal and a very low risk rating to BAE's proposal. As an initial matter, the record supports the agency's position that the risk associated with BAE's focal plane array was not comparable to the risk resulting from Raytheon's change to its optics design. First, as the agency notes, BAE's design remained constant from its initial proposal, the submission of sample hardware, and through its final proposal. SSAC Comparative Analysis at 34; SSDD at 15; compare AR, Tab 420, BAE Initial Technical Proposal, at 31, with AR, Tab 460, BAE Final Technical Proposal, at 31. As BAE explained in its initial proposal, the [DELETED] focal plane arrays it was proposing were scheduled to be produced in late 2013--not soon enough for BAE to include them in its sample hardware, but well before the FWS-I contract was scheduled to be awarded. BAE Initial Technical Proposal at 31. In this regard, BAE's proposal provided the following information about its [DELETED] focal plane array and the risk-reducing factors associated with it:

[DELETED]

BAE Initial Technical Proposal at 31; see also BAE Final Technical Proposal at 31.

BAE's proposal further addressed the risk associated with its [DELETED] focal plane array as follows:

[DELETED]

BAE Final Technical Proposal at 35. In discussing [DELETED] focal plane array, BAE's proposal indicated that the [DELETED] would reduce risk, provide the time needed for an extra design cycle prior to scheduled deliveries, and reduce cost. Id. at 37. Furthermore, as part of its risk mitigation plan, BAE proposed to use the [DELETED] focal plane array demonstrated in its sample hardware, which would also meet the RFP's requirements, in the event that the [DELETED] focal plane array could not be produced as proposed. AR, Tab 178, BAE Evaluation Notice Response TI1BBB-8, at 1.

---

<sup>7</sup> A micron, also known as a micrometer, is a unit of measurement denoted by the symbol "µm."

<sup>8</sup> The focal plane array is the sensor on which the optics deposit the infrared radiation from the scene. It captures the image, which is then further processed and displayed on the helmet-mounted display. BAE's Supp. Comments, Exh. A, Declaration of Consultant, at 2.

Thus, BAE proposed the [DELETED] focal plane array in its initial proposal, and not as a new approach in its revised proposal. In addition, BAE informed the agency that, while the design would not be produced in time to submit it as part of the firm's sample hardware, the design would be tested prior to production, and its [DELETED] had been produced, assembled, and tested at the system-level. Contracting Officer's Statement at 14 (citing AR, Tab 580, BAE Technical Proposal, at 2). Also, BAE offered a fall-back design which was tested and found to be compliant during the agency's inspection of sample hardware.

In contrast, Raytheon's design continued to evolve during the procurement, and was not finalized until much later in the process. As set forth above, Raytheon offered in its initial proposal a system that earned a significant weakness on account of insufficient range. The firm's sample hardware was based on this substandard design. It was only after the agency evaluated the initial design and informed Raytheon that its system would be assessed a significant weakness that Raytheon changed its proposed design to address the problem. Further, although Raytheon's final proposal promised a changed design that would satisfy all of the RFP's requirements, the agency concluded that there was some degree of risk associated with the changed design. In this regard, the agency notes that Raytheon has not yet performed many critical steps in the development of its optics design, including the following:

1. Procure the material (glass and metal) for the revised optics design.
2. Fabricate the lenses from the glass material.
3. Assemble the lenses and metal material into the finished objective lens and eyepiece lens assemblies.
4. Conduct component-level testing of objective lens and eyepiece lens assemblies to confirm component-level performance.
5. Assemble tested objective lens and eyepiece lens assemblies into FWS-I system.
6. Conduct system-level testing, including weapon shock, of FWS-I to confirm system-level performance and weapon shock survivability.

Contracting Officer's Statement at 13.

In sum, Raytheon's sample hardware was built to demonstrate its ability to accomplish its original proposal design, and not its revised design. Raytheon changed the production design itself during the procurement, see Raytheon Initial Response to EN T11AAA-59, AR, Tab 407, resulting in a change to its proposed performance values for FOV and Range. In contrast, BAE's sample hardware was built to demonstrate its ability to accomplish the design proposed in BAE's initial and final proposal. Although BAE proposed some features that were not able to be incorporated into the sample hardware, the design of the system did not change throughout the procurement. Based on this record, we find that the agency acted

reasonably in concluding that the amount of technical risk was a discriminator between the two proposals resulting in an advantage for BAE.

#### Tradeoff Decision

Finally, Raytheon argues that, even if its design changes did carry some amount of additional risk relative to BAE's design, this risk could not have equated to \$12 million of financial risk; thus, according to the protester, the agency acted unreasonably in deciding that the lower risk associated with BAE's proposal merited its 2.9% (approximately \$12 million) price premium. Protest at 17.

Source selection officials in negotiated best-value procurements have broad discretion in making price/technical tradeoffs, and the extent to which one may be sacrificed for the other is governed only by the tests of rationality and consistency with the solicitation's evaluation criteria. CyQuest Business Solutions, Inc., B-410366 et al., Dec. 18, 2014, 2015 CPD ¶ 13 at 13; World Airways, Inc., B-402674, June 25, 2010, 2010 CPD ¶ 284 at 12. A protester's disagreement with the agency's determinations as to the relative merits of competing proposals, or disagreement with its judgment as to which proposal offers the best value to the agency, does not establish that the source selection decision was unreasonable. CyQuest Business Solutions, Inc., supra; General Dynamics--Ordnance & Tactical Sys., B-401658, B-401658.2, Oct. 26, 2009, 2009 CPD ¶ 217 at 8.

As the SSA noted in her tradeoff decision, the consequences of risk can be both financial and temporal. In this regard, SSA observed that: "The impact of risk is important. Corrections, redesigns or remanufacture of an unproven design can cause programmatic schedule delays beyond required times set for delivery in the solicitation . . ." SSDD at 15. In these circumstances, we are unwilling to second guess the SSA's conclusion that BAE's lower-risk solution with less risk of schedule delay was worth the 2.9% price premium associated with it.

The protest is denied.

Susan A. Poling  
General Counsel