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## Decision

**Matter of:** Smartronix, Inc.; ManTech Advanced Systems International, Inc.

**File:** B-411970.9; B-411970.10; B-411970.11

**Date:** December 9, 2016

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James H. Roberts III, Esq., Van Scoyoc Roberts PLLC, for Smartronix, Inc.; Stuart B. Nibley, Esq., Amy M. Conant, Esq., Andrew N. Cook, Esq., Christopher H. Bell, Esq., and Erica L. Bakies, Esq., for ManTech Advanced Systems International, Inc., the protesters.

Robert J. Symon, Esq., Aron C. Beezley, Esq., Jennifer F. Brinkley, Esq., and Lisa A. Markman, Esq., Bradley Arant Boult Cummings LLP, for Jacobs Technology Inc., the intervenor.

Jaron E. Chriss, General Services Administration, for the agency.

Evan D. Wesser, Esq., and Edward Goldstein, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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### DIGEST

1. Protest challenging the agency's cost realism evaluation is denied where the record demonstrates that the agency's evaluation was reasonable and adequately documented, or, even assuming an error in the methodology used to evaluate the realism of vendors' proposed direct labor rates, the protester has failed to demonstrate competitive prejudice.

2. Protests challenging the agency's best-value tradeoff selecting a lower technically-rated, lower-priced quotation are denied where the decision was reasonable and consistent with the terms of the solicitation.

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### DECISION

Smartronix, Inc., of Hollywood, Maryland, and ManTech Advanced Systems International, Inc., of Herndon, Virginia, protest the issuance of a task order to Jacobs Technology Inc., of Tullahoma, Tennessee, under request for quotations (RFQ) No. ID04150017, which was issued under the General Services Administration (GSA) Alliant Government Wide Acquisition Contract (GWAC), for the provision of technical support services to the Air Force's Air Combat Command,

53rd Wing Operations.<sup>1</sup> ManTech challenges the agency's cost realism evaluation, and both protesters challenge the reasonableness of the agency's best-value determination.

We deny the protests.<sup>2</sup>

## BACKGROUND

The RFQ, which was issued by GSA on behalf of the Air Force on June 18, 2015, sought quotations from GSA Alliant contract holders pursuant to Federal Acquisition Regulation (FAR) part 16, for information technology technical support for weapons and computer systems to support systems development and operations activities.<sup>3</sup> RFQ, Performance Work Statement (PWS), at 1.<sup>4</sup> The selected contractor will provide support to the Air Force at Eglin Air Force Base (AFB) in Florida, Nellis AFB in Nevada, Tyndall AFB in Florida, Lackland AFB in Texas, Creech AFB in Nevada, and Patuxent River in Maryland. *Id.* at 2. The RFQ anticipated the issuance of a hybrid task order, which would include cost-plus-award-fee and fixed-price contract line items, with a 9-month base period and four 1-year option periods. *Id.* at 2, 4.

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<sup>1</sup> The Alliant GWAC is a multiple-award, indefinite-delivery/indefinite-quantity contract for various information technology services.

<sup>2</sup> Our Office did not consolidate the protests during the initial development of the prior protests. Therefore, GSA submitted separate agency reports in each of the respective protests that followed a common numbering scheme for the exhibits to these reports. References herein to the "agency report" are to the agency report filed in the Smartronix protest, which is designated as "SAR." Where necessary to distinguish, references to the agency report filed in the ManTech protest use the designation "MAR."

<sup>3</sup> At the time these protests were filed, our Office had jurisdiction to hear protests in connection with task and delivery orders valued in excess of \$10 million placed under multiple-award contracts created by civilian agencies. *See* 41 U.S.C. § 4106(f); Phacil Inc., B-406628, July 5, 2012, 2012 CPD ¶ 202 at 1 n.1. Subsequent to the filing of these protests, our Office's authority to resolve protests in connection with civilian agency task and delivery orders in excess of \$10 million expired. *See* 41 U.S.C. § 4106(f)(3); Analytic Strategies LLC; Gemini Indus., Inc., B-413758.2, B-413758.3, Nov. 28, 2016, 2016 CPD ¶ 340 at 4-5; Ryan Consulting Grp., Inc., B-414014, Nov. 7, 2016, 2016 CPD ¶ 324 at 3. Because the order at issue was awarded and protested prior to the expiration, we retain jurisdiction to resolve the protests. *See* Technatomy Corp., B-405130, June 14, 2011, 2011 CPD ¶ 107 at 5-6.

<sup>4</sup> References herein to the RFQ or its attachments are to the version of the RFQ conformed through amendment No. 6.

The RFQ contemplated a two-phase evaluation process. In phase one, interested vendors were invited to provide an oral capability demonstration. RFQ at 3. The agency was to assign a level of confidence based on the vendor's proposed approach to meeting the technical requirements as set forth during the capability demonstration. Id. at 6.

After the oral presentations, GSA was to notify each vendor whether it was deemed to be a "viable competitor" based on its capability demonstration confidence rating. Id. at 3. Regardless of whether a vendor was deemed to be a "viable competitor," all vendors that had participated in oral demonstrations were invited to submit a phase two quotation. Id. The phase two quotation was to include three written volumes: (1) transition plan; (2) past performance; and (3) price.<sup>5</sup>

Under the transition plan factor, GSA was to evaluate: (1) whether the vendor addressed each item required in the transition-in plan as required by the PWS; (2) the measure of the government's confidence in how well the vendor demonstrated its understanding of the requirements; and (3) a sound management approach to effectively transition contract services. Id. at 7. Under the past performance factor, the agency was to evaluate its confidence in the vendor's ability to successfully perform the requirements of the PWS based on the vendor's performance on recent and relevant projects. Id. at 9.

Under the price factor, GSA was to evaluate quotations for price reasonableness and cost realism. Id. at 11. With respect to cost realism, the agency was to evaluate a vendor's proposed labor categories, proposed labor hours, and indirect costs, along with the submitted supporting documentation. Id. In addition to submitting the information required by the RFQ's pricing attachment, vendors were required to submit additional information, including, as relevant here, current documentation showing that their cost accounting system has been determined adequate by their cognizant auditing agency. Id. at 10.

The task order was to be issued to the vendor whose quotation provided the best value to the government. Id. at 4. For the purpose of the best-value selection decision, the non-price evaluation factors were significantly more important than price. Id. Among the non-price factors, the capability demonstration factor was more important than the transition plan and past performance factors, combined. Id.

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<sup>5</sup> As discussed herein, the resulting order will include both cost-reimbursement and fixed-price contract line items. The RFQ, however, characterized the evaluation factor as the "price" factor. For the purposes of this decision, we use the RFQ's nomenclature of the "price" factor.

GSA received seven letters of interest to participate in the capability demonstrations, and six of those vendors ultimately provided oral presentations. MAR, Tab 80, Fair And Reasonable Price Determination And Award Decision (Award Decision) (Sept. 1, 2016), at 4. Following the capability demonstrations, four vendors, including the protesters and awardee, were notified that they had been deemed “viable competitors.” *Id.* Only the four “viable competitors” submitted phase two quotations. *Id.* Following discussions and the submission of revised quotations, GSA evaluated the vendor’s final quotations as follows:

	Jacobs	Vendor 4	ManTech	Smartronix
Capabilities Demonstration	Significant Confidence	Medium Confidence	Significant Confidence	High Confidence
Transition Plan	Significant Confidence	High Confidence	Significant Confidence	High Confidence
Past Performance	Medium Confidence	Medium Confidence	Significant Confidence	High Confidence
Evaluated Price <sup>6</sup>	\$218,937,711	\$224,688,196	\$252,451,978	\$290,604,383

SAR, Tab 23, Award Decision (Aug. 13, 2015), at 93.

The source selection authority (SSA) compared Jacobs’ lowest-priced quotation against the quotations from each of the other three vendors which had submitted final quotations. *Id.* at 93-94. In his analysis, the SSA compared the vendors’ respective adjectival ratings for the non-price factors and focused on the relative price premiums associated with the other vendors’ quotations as compared to Jacobs’ total evaluated cost/price. *Id.* Based on that trade-off analysis, the SSA selected Jacobs’ quotation as offering the best value to the government. *Id.* at 94.

Smartronix and ManTech subsequently filed protests with our Office challenging, among other grounds, the reasonableness of the agency’s cost realism evaluation of Jacobs’ proposed costs. On November 25, 2015, our Office issued a decision sustaining in part the protests. Specifically, we found that the agency’s cost realism evaluation was unreasonable because it did not adequately consider the realism of vendors’ proposed direct labor rates. Smartronix, Inc.; ManTech Advanced Sys. Int’l, Inc., B-411970 et al., Nov. 25, 2015, 2015 CPD ¶ 373 at 21. We

<sup>6</sup> Pursuant to the RFQ, GSA was to evaluate as part of the total evaluated price the cost/price for the six month option to extend services period under Federal Acquisition Regulation clause 52.217-8 by adding to the vendors’ total proposed cost/price one half of the proposed cost/price for the last option year. RFQ at 11-12. The figures cited herein, which have been rounded to the nearest whole dollar, include the cost/price for the six month option to extend services period.

recommended that the agency conduct and document a new cost realism evaluation, and, upon completion of that evaluation, prepare a new source selection decision. Id. at 22.

After conducting discussions and soliciting revised quotations, GSA again selected Jacobs' quotation for award. SAR, Tab 67, Award Decision (June 17, 2016), at 120-21. Smartronix and ManTech both filed protests challenging the agency's second proposed award to Jacobs, alleging, among other grounds, that the agency's cost realism evaluation and best-value tradeoff were unreasonable. Subsequent to the filing of the protests, GSA notified our Office of its intent to take corrective action, including reviewing its cost realism evaluation and issuing a new source selection decision. Based on the agency's proposed corrective action, our Office dismissed the protests as academic. See Smartronix, Inc.; ManTech Advanced Sys. Int'l, Inc., B-411970.5 et al., July 29, 2016 (unpublished decision).

On September 1, 2016, GSA again selected Jacobs' quotation for award. GSA evaluated the vendors' final quotations as follows:

	<b>Vendor 4</b>	<b>Jacobs</b>	<b>ManTech</b>	<b>Smartronix</b>
<b>Capabilities Demonstration</b>	Medium Confidence	Significant Confidence	Significant Confidence	High Confidence
<b>Transition Plan</b>	High Confidence	Significant Confidence	Significant Confidence	High Confidence
<b>Past Performance</b>	Medium Confidence	Medium Confidence	Significant Confidence	High Confidence
<b>Evaluated Price</b>	\$217,128,329	\$230,807,904	\$246,606,496	\$256,599,556

MAR, Tab 80, Award Decision (Sept. 1, 2016), at 117-18.

The SSA compared the four vendors' quotations, considering the respective strengths, weaknesses, risks, and proposed prices. Id. at 131-35. In his analysis, the SSA recognized the relative non-price evaluation results, including the technical superiority of Smartronix and ManTech, and specifically concluded that the apparent technical superiority was not worth the associated price premiums. Id. Based on that trade-off analysis, the SSA again selected Jacobs' quotation as offering the best value to the government. Id. at 135. Thereafter, ManTech and Smartronix filed protests with our Office challenging the agency's evaluation and selection decision.

## DISCUSSION

ManTech challenges GSA's evaluation of the realism of Jacobs' proposed indirect rates, and the methodology utilized by the agency to evaluate the realism of offerors' proposed direct labor rates. Smartronix and ManTech both challenge the

reasonableness of the agency's best-value tradeoff resulting in the selection of Jacobs' lower-rated, lower-priced quotation.<sup>7</sup>

In reviewing protests challenging an agency's evaluation or selection decision in connection with the issuance of a task order pursuant to a competition conducted under FAR part 16, we do not reevaluate quotations but examine the record to determine whether the evaluation and source selection decision are reasonable and consistent with the solicitation's evaluation criteria and applicable procurement laws and regulations. DynCorp Int'l LLC, B-411465, B-411465.2, Aug. 4, 2015, 2015 CPD ¶ 228 at 7; Diamond Info. Sys., LLC, B-410372.2, B-410372.3, Mar. 27, 2015, 2015 CPD ¶ 122 at 7. For the reasons that follow, we find no basis to sustain the protests.

### Cost Realism Evaluation

ManTech argues that GSA failed to reasonably evaluate Jacobs' proposed indirect costs. The protester also alleges that the methodology used by the agency to evaluate the realism of vendors' proposed direct labor rates was irrational. For the reasons that follow, we find no basis to sustain ManTech's protest.

When an agency evaluates a quotation for the award of a cost-reimbursement contract, an offeror's proposed costs are not dispositive because, regardless of the costs proposed, the government is bound to pay the contractor its actual and allowable costs. FAR §§ 15.305(a)(1), 15.404-1(d); Exelis Sys. Corp., B-407673 et al., Jan. 22, 2013, 2013 CPD ¶ 54 at 7. Consequently, an agency must perform a cost realism analysis to determine the extent to which an offeror's proposed costs are realistic for the work to be performed. FAR § 15.404-1(d)(1); DynCorp Int'l LLC, supra, at 8. An agency is not required to conduct an in-depth cost analysis, see FAR § 15.404-1(d)(1), or to verify each and every item in assessing cost realism; rather, the evaluation requires the exercise of informed judgment by the contracting agency. AdvanceMed Corp.; TrustSolutions, LLC, B-404910.4 et al., Jan. 17, 2012, 2012 CPD ¶ 25 at 13. While an agency's cost realism analysis need not achieve scientific certainty, the methodology employed must be reasonably adequate and provide some measure of confidence that the rates proposed are reasonable and realistic in view of other cost information reasonably available to the agency at the time of its evaluation. Metro Mach. Corp., B-295744, B-295744.2, Apr. 21, 2005, 2005 CPD ¶ 112 at 10-11; Science Applications Int'l Corp., B-290971 et al., Oct. 16, 2002, 2002 CPD ¶ 184 at 17. Our review of an agency's cost realism evaluation is limited to determining whether the cost analysis is reasonably based and not

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<sup>7</sup> The protesters raise other collateral arguments. While our decision does not specifically address every argument, we have considered all of the protesters' additional assertions and find that none provides any basis on which to sustain the protests.

arbitrary. TriCenturion, Inc.; SafeGuard Servs., LLC, B-406032 et al., Jan. 25, 2012, 2012 CPD ¶ 52 at 6. As described below, we have considered ManTech's arguments and conclude that they do not provide a basis to sustain the protest.

ManTech first alleges that GSA conducted an unreasonable cost realism evaluation of Jacobs' proposed indirect rates. The main thrusts of the protester's arguments are that the agency failed to conduct a meaningful analysis of the proposed rates and unreasonably relied on provisional rates as opposed to conducting a thorough analysis of Jacobs' historical rates. Based on the record, we conclude that the agency's consideration of the offerors' proposed indirect rates was reasonable.

As a general matter, the record reflects that under the Alliant GWAC, contractors are required to have, and maintain, an adequate cost accounting system for cost reimbursement type orders in accordance with FAR § 16.301-3(a)(1). MAR, Tab 98, Alliant GWAC, at 46. Contractors are required to notify the Alliant GWAC contracting officer, and any ordering contracting officers, of any changes to their respective accounting systems or if the status has been determined to be deficient by a cognizant government audit agency, and to provide an annual status report regarding whether a cognizant government audit agency has reviewed the system as being adequate/inadequate, there have been any cited deficiencies, and whether there have been any changes to the accounting system. Id. at 46-47. Additionally, the contract requires, as applicable, compliance with the Cost Accounting Standards (CAS), and notification to the Alliant GWAC contracting officer, and any ordering contracting officers, of any changes to the contractor's CAS disclosure statement or cost accounting practices. Id. at 47.<sup>8</sup>

With respect to the order at issue, as noted above, the RFQ required vendors to provide current documentation that their cost accounting system has been determined adequate by their cognizant auditing agency. RFQ at 10. In addition, the RFQ required vendors to provide a price quotation narrative providing supporting information for each cost element and rate proposed. Id. Consistent with the RFQ's terms, the record reflects that Jacobs' price quotation narrative provided information demonstrating its CAS compliance, as well as a detailed discussion regarding its proposed indirect rates. In its final revised quotation, Jacobs indicated that these rates were based on the company's most current Forward Pricing and Provisional Billing Rate Proposal. MAR, Tab 59D, Jacobs' Revised Price Quotation Narrative (Feb. 22, 2016), at 4-5, 10-15, app. A. The agency also conducted discussions with Jacobs, which in part sought clarification with respect to certain aspects of Jacobs' price quotation. See SAR, Tab 19F,

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<sup>8</sup> The CAS are a series of standards set forth in FAR Part 99 designed for the purpose of achieving uniformity and consistency in the cost accounting practices governing measurement, assignment, and allocation of costs to covered contracts with the United States Government. FAR § 9901.302(b).

Jacobs' Response to GSA Evaluation Notice. Additionally, the record reflects that the GSA sought, and secured, confirmation from the Defense Contract Management Agency (DCMA) that the vendors' CAS disclosure statements were determined to be adequate. MAR, Tabs 99 and 100, GSA and DCMA Email Correspondence.

GSA's price evaluation concluded that each vendor provided the required cost accounting system documentation, and that the proposed indirect rates were adequate and accurately applied consistent with the vendors' quotations. MAR, Tab 80, Award Decision (Sept. 1, 2016), at 97. On this record, we do not find that the agency unreasonably relied solely on the fact that Jacobs' cognizant government audit agencies had approved its accounting system in lieu of adequately evaluating the realism of Jacobs' proposed indirect rates. Rather, as addressed above, the agency reasonably relied on the vendors' cognizant audit agencies' evaluations of the vendors' accounting systems, including the policies and procedures governing the calculation and allocation of indirect costs. GSA also reviewed the vendors' price quotation narratives and discussion responses that further elaborated on the vendors' respective methodologies and bases for the proposed indirect rates. Additionally, GSA reasonably relied on the Alliant contract's cost accounting and CAS-compliance provisions as providing further cost protections for the agency. On this record, we find no basis to sustain ManTech's protest.

GSA also reasonably concluded that significant changes with respect to the basis for allocating Jacobs' indirect rates undermined the effectiveness of relying on historical rates for assessing the realism of their current proposed rates. In this regard, the record reflects that the agency used the provisional rates proposed by Jacobs as the basis for evaluation, finding that they provided the appropriate basis for the agency's cost realism assessment.

As relevant, with respect to Jacobs, the record reflects that effective September 2014, Jacobs reorganized six separate, internal business segments into a single business unit called System Acquisition, Logistics, Test, and Training (SALTT). Although the new business unit's accounting system will be subject to further audit and approval, the SALTT business unit in the interim has adopted the government-approved accounting policies and practices of one of the former segments. The record also reflects that neither DCMA nor the Defense Contract Audit Agency (DCAA) identified any accounting system deficiencies or issued any negative findings related to the legacy system. Additionally, on May 27, 2015, DCAA issued a pre-award survey audit finding that the SALTT accounting system was operational and complied in all material respects with the criteria contained in FAR § 53.209-1(f), Standard Form 1408, Preaward Survey of Prospective Contractor Accounting System. On January 26, 2016, DCMA approved the SALTT accounting system for accumulating and billing costs under government contracts. See MAR, Tab 100A, DCMA Statement Regarding the Current Status of JTI-

SALTT's Business Systems (DCMA Statement) (Mar. 29, 2016), at 1-2; MAR, Tab 59D, Jacobs' Revised Price Quotation Narrative (Feb. 22, 2016), at 4-5, 10-11, app. A at 2.<sup>9</sup>

In light of the significant changes to Jacobs' corporate structure that formed material bases for its historical indirect rates, we find that the agency's reliance on Jacobs' proposed provisional rates was reasonable under these circumstances.

ManTech also challenges the reasonableness of the methodology used by GSA to evaluate the realism of vendors' proposed direct labor rates. The agency here used a three-step method. First, the evaluators calculated a minimum realistic labor rate range for each of the RFQ's 302 required labor positions using Department of Labor (DOL), Bureau of Labor Statistics' (BLS) data. The ranges were calculated taking into account the seniority level for the labor category (e.g., 10th percentile rates were used for entry level positions, while 75th percentile rates were used for master level positions), escalation based on the DOL's Employment Cost Index, and escalation based on third party data regarding labor rate premiums for positions requiring security clearances. The evaluators then compared the vendors' proposed rates against the calculated ranges. Of the 302 labor categories, Jacobs' had the fewest proposed rates that fell below the BLS-based ranges (222 positions), followed by ManTech (257 positions), Smartronix (260 positions), and Vendor No. 4 (288 positions). MAR, Tab 80, Award Decision (Sept. 1, 2016), at 99-100.

In light of the fact that all four vendors proposed direct labor rates for the majority of the labor categories that were below the BLS-based ranges, GSA in the second step of its analysis averaged the proposed rates for each labor category for all vendors and created a range extended by plus or minus one standard deviation. Id. at 100-01. In the third step, the evaluators then compared the vendors' proposed rates to the BLS-based ranges and the vendor proposed rate-based ranges. If a vendor proposed a labor rate that was below both of the ranges, the agency found the proposed rate unrealistic and made an upward adjustment. Id. at 101. Based on this methodology, the evaluators upwardly adjusted 8 proposed rates for Smartronix, 9 proposed rates for Jacobs, 33 proposed rates for ManTech, and 158 proposed rates for Vendor No. 4. Id. at 102.

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<sup>9</sup> DCMA also previously approved, and has not subsequently evaluated any deficiencies or significant findings, with respect to SALTT's adopted legacy estimating, property, or purchasing systems. MAR, Tab 100A, DCMA Statement, at 2. Also, DCAA has previously approved a relevant Jacobs sub-business component's accounting system, and has not subsequently identified any deficiencies with the sub-component's accounting system. MAR, Tab 59D, Jacobs' Revised Price Quotation Narrative (Feb. 22, 2016), at app. A at 1.

ManTech asserts that the methodology used by the agency was unreasonable because the second step of the agency's evaluation of direct labor rates irrationally relied on the vendors' proposed rates, regardless of whether any of the proposed rates were unrealistically low, which in turn undermined the realism of the vendor proposed rate-based ranges. Even assuming for the sake of argument that the methodology utilized by GSA was unreasonable, however, we find no basis to sustain the protest because ManTech failed to even allege, let alone demonstrate, how it was competitively prejudiced. Competitive prejudice is an essential element of a viable protest; where a protester fails to demonstrate that, but for the agency's actions, it would have had a substantial chance of receiving the award, there is no basis for finding prejudice, and our Office will not sustain the protest, even if deficiencies in the procurement are found. The Boeing Co., B-412441, Feb. 16, 2016, 2016 CPD ¶ 269 at 42; Bart & Assocs., Inc., B-407996.5 et al., Jan. 5, 2015, 2015 CPD ¶ 61 at 16 n.21.

More specifically, while alleging that the agency's consideration of the average of offerors' proposed rates to evaluate realism if a proposed labor rate fell below the minimum acceptable BLS-based rate was flawed, ManTech fails to allege what, if any, impact the alleged error had on the relative total evaluated prices of the vendors. Absent any argument from ManTech demonstrating what, if any, effect the alleged error had on the competitive position of the parties, we find no basis to sustain the protest on this basis.

#### Best-Value Tradeoff

Smartronix and ManTech challenge the SSA's best-value determination, which resulted in Jacobs' lower-rated, lower-priced quotation being selected for award. The protesters argue that the agency unreasonably failed to consider the superior technical merit of their respective quotations, and put undue weight on Jacobs' lower proposed price. We find no basis to sustain the protests.

Where, as here, a solicitation provides for a best-value award and identifies the factors for which tradeoffs will be made, a procuring agency must make its source selection decision consistent with those provisions. Nonetheless, it is well-settled that an agency may properly select a lower-rated, lower-priced quotation where it reasonably concludes that the benefits of the higher-rated quotation are not worth the price premium. Heartland Tech. Grp., LLC, B-412402.2, Sept. 29, 2016, 2016 CPD ¶ 278 at 8. The extent of such tradeoffs is governed only by the test of rationality and consistency with the evaluation criteria. HGS Eng'g, Inc.; American Commercial Grp., Inc., B-412042, B-412042.2, Dec. 10, 2015, 2015 CPD ¶ 390 at 4. A protester's disagreement with the agency's determinations as to the relative merits of competing quotations, or disagreement with its judgment as to which quotation offers the best value to the agency, does not establish that the source selection decision was unreasonable. General Dynamics-Ordnance & Tactical Sys., B-401658, B-401658.2, Oct. 26, 2009, 2009 CPD ¶ 217 at 8.

Before addressing the agency's overall award determination, we address several specific objections raised by the protesters regarding the SSA's consideration of the vendors' quotations. First, Smartronix argues that the SSA improperly "lower[ed] or diminish[ed]" Smartronix's superior non-price ratings by unreasonably imputing a "performance risk" based on Smartronix's revised calculation for the estimated average number of annual hours for a full time employee (FTE). See Smartronix's Comments at 2-4. The protester does not challenge the reasonableness of the SSA's evaluated concern, but, rather, contends that it was improper for the SSA to consider the risk beyond making a cost realism adjustment.

Smartronix's initial quotation proposed 1,920 annual hours per FTE. See MAR, Tab 80, Award Decision (Sept. 1, 2016), at 125. In response to discussions held prior to the initial award to Jacobs, Smartronix revised its estimate to propose 1,880 annual hours per FTE, which accounted for holidays, vacation, training, and sick time. Id. In response to discussions held during corrective action, Smartronix further reduced its estimate to 1,800 annual hours per FTE. Id. The protester indicated that the further reduction was to account for estimated time associated with positions remaining unfilled due to employee turnover. Id.

The SSA found that based on the maximum leave time available to employees as proposed by Smartronix, the minimum possible annual hours would be 1,840 hours for employees with less than 5 years of experience at Smartronix, and 1,800 hours for employees with more than 5 years of experience at Smartronix. Id. Although the 1,840/1,800 hour figures did not account for employee turnover-related time, the SSA was concerned that Smartronix's approach was unrealistic because it assumed that each FTE has or will have available the maximum allowable time off while performing the contract, and otherwise was not supported by any detailed methodology or supporting data with respect to the anticipated hours associated with unfilled positions. Id. at 125-26. The agency ultimately determined that 1,827 annual hours was realistic based on Smartronix's invoicing on the incumbent requirement. Id. at 126. Relying on the instruction provided to offerors during the second round of discussions that the agency could reject or assign a higher level of risk to a quotation that was not in the best interests of the government, the SSA concluded that the inconsistent methodology and lack of details in Smartronix's proposed method for calculating annual FTE hours "further wanes the Government's confidence that Smartronix understands how to price this new requirement and provide an optimal balance of performance and cost control which poses a risk to performance." Id.

Here, we find no basis to object to the SSA's concern. While still acknowledging that Smartronix's quotation received the highest technical ratings, the SSA set forth a reasonable explanation for his concern that Smartronix's aggressive recalculation for the average number of hours an FTE would be expected to work was based on unsupported assumptions regarding the maximum average time employees would

have off, and on the period of time that Smartronix kept contract positions unfilled as a result of employee turnover. Absent detailed justification for the assumptions that were utilized, we have no basis to conclude that it was unreasonable for the SSA to consider the risk both in terms of an upwards cost adjustment and the potential staffing-related performance risks. In this regard, an offeror risks having its quotation evaluated unfavorably where it fails to submit an adequately written quotation. STG, Inc., B-411415, B-411415.2, July 22, 2015, 2015 CPD ¶ 240 at 5-6. On this record, we find no basis to sustain this aspect of Smartronix's protest.<sup>10</sup>

Additionally, ManTech alleges that the SSA improperly reevaluated vendors' past performance and unreasonably negated ManTech's higher "significant confidence" rating under the factor compared to Jacobs' "medium confidence" rating. Contrary to the protester's arguments, however, the record demonstrates that the SSA thoroughly and rationally considered the vendors' respective past performance records and ratings.

The SSA acknowledged that the lower-level evaluators had assigned ManTech's past performance a "significant confidence" rating and Jacobs' past performance a "medium confidence" rating. Upon his independent review, he determined that the difference in the ratings was based on ManTech having somewhat more relevant past performance. Specifically, he found that ManTech had one past performance reference that was rated "very relevant," while Jacobs had one reference that was rated only "relevant"; both references received positive ratings and comments. The three remaining references for each vendor were only rated "somewhat relevant." For Jacobs' "somewhat relevant" references, two references included all

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<sup>10</sup> ManTech similarly complains that the SSA unreasonably evaluated risks based on errors in its final revised price quotation. Specifically, the SSA determined that ManTech's final revised price quotation created risk to the government because it (1) contained an inconsistency between the workforce projection and written price narrative, and (2) failed to acknowledge, as required by the instructions to the discussion questions, that applicable performance periods in the award-fee plan would have to be changed at the time of award. MAR, Tab 80, Award Decision (Sept. 1, 2016), at 129. ManTech does not contest that its proposal contained the flaws identified by the SSA, but, rather, argues that it was unreasonable for the agency to assess any risk because "neither of these two minor drafting errors resulted in any implication on price or performance." ManTech Comments at 30 (emphasis in original). Here again, however, ManTech bore the risk of an inadequately written proposal, and therefore we find no basis to sustain this aspect of ManTech's protest. See STG, Inc., supra. Also, these evaluated risks do not appear to have been a material factor in the SSA's award determination, as the SSA determined that ManTech's quotation was technically more advantageous than Jacobs' quotation. MAR, Tab 80, Award Decision (Sept. 1, 2016), at 134.

exceptional ratings, and one reference included a mix of exceptional and very good ratings. For ManTech's "somewhat relevant" references, one reference included all very good ratings, one reference included a mix of exceptional and very good ratings, and one reference included a mix of exceptional, very good, and satisfactory ratings. Based on the ratings and associated comments for the references and consideration that ManTech had only one reference that was rated as being more relevant, the SSA determined that the difference between the vendors' past performance was "not significant," and the agency had reasonable confidence that both vendors could successfully perform the resulting order. See MAR, Tab 80, Award Decision (Sept. 1, 2016), at 130, 133-34. On this record, we find nothing objectionable with the SSA's analysis of the totality of the vendors' respective past performance, and therefore find no basis to sustain the protest on this basis.

With respect to the agency's overall award determination, we find unobjectionable the agency's determination that Jacobs' quotation represented the best value to the government. In this regard, the agency's award decision, which memorializes the SSA's cost/technical tradeoff, reflects a reasonable source-selection decision that is adequately-documented and consistent with the solicitation. The award decision includes a comprehensive discussion of the lower-level evaluators' evaluation findings, the strengths and weaknesses of each quotation, and the resolution of concerns identified through discussions. The award decision also contains detailed sections setting forth the tradeoff comparisons between the quotations, including Jacobs' lower-priced quotation against the higher-technically rated quotations of Smartronix and ManTech. In each instance, GSA concluded that Jacobs' quotation represented a better value and documented the basis for this conclusion. MAR, Tab 80, Award Decision (Sept. 1, 2016), at 18-80, 116-35.

In short, in performing the best-value tradeoff determination, the SSA specifically recognized the respective evaluated superiority of Smartronix's and ManTech's quotations under the non-price factors; made assessments regarding the relative value of that superiority; considered the magnitude of Jacobs' price savings; and concluded that the benefits offered by Smartronix's and ManTech's higher-rated quotations were not worth the associated price premiums. We find nothing unreasonable in the agency's assessments and conclusions; accordingly, we find no merit in the protests challenging the agency's best-value tradeoff.

The protests are denied.

Susan A. Poling  
General Counsel