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## Decision

**Matter of:** Alliant Enterprise JV, LLC

**File:** B-410352.5; B-410352.6

**Date:** July 1, 2015

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Andrew Bramnick, Esq., Department of Defense, for the agency.

Louis A. Chiarella, Esq., Noah B. Bleicher, Esq., and Nora K. Adkins, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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### DIGEST

1. Protest challenging agency's evaluation of awardee's proposed labor hours and labor mix is denied where the agency's determination that the proposed staffing levels were adequate to support task requirements was reasonable and consistent with the stated evaluation criteria and adequately documented.

2. Protest challenging agency's evaluation of awardee's past performance is denied where the agency reasonably considered the past performance of the awardee's joint venture members, and the solicitation did not preclude the agency from doing so.

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### DECISION

Alliant Enterprise JV, LLC (AEJV), of Vienna, Virginia, protests the issuance of a task order to SBD Alliant Joint Venture, of Vienna, Virginia, under task order request (TOR) No. 874576, issued by the Department of Defense (DOD), Washington Headquarters Service (WHS), for information technology (IT) support services for the Defense Acquisition University (DAU), Fort Belvoir, Virginia. AEJV, the incumbent contractor, argues that the agency's evaluation and award decision were improper.

We deny the protest.

## BACKGROUND

The TOR was issued on May 14, 2014,<sup>1</sup> under the provisions of Federal Acquisition Regulation (FAR) subpart 16.5, to holders of the General Services Administration (GSA) Alliant Small Business governmentwide acquisition contract (GWAC).<sup>2</sup> The solicitation contemplated the issuance of a hybrid fixed-price/labor-hour task order for a base year with four 1-year options against the successful offeror's Alliant GWAC contract.<sup>3</sup> In general terms, the contractor was required to provide a broad range of IT support services to DAU and the DOD acquisition training and logistics community, including network operational support, enterprise and regional help desk support, video services support, telecommunication support, software/web development support, program/project management support, transition services enterprise operations, enterprise security, talent management system support, and hardware installation. Statement of Work (SOW) at BATES 0025.<sup>4</sup>

The solicitation established that the task order award would be made on a best value basis, based on three evaluation criteria: technical approach, past performance, and price. TOR at BATES 0103. The nonprice factors, which were of equal importance, were significantly more important than price. Id.

Five offerors, including SBD and AEJV, submitted proposals by the June 14 closing date. An agency technical evaluation board (TEB) evaluated offerors' nonprice proposals using various adjectival rating schemes that were set forth in the TOR: outstanding, good, acceptable, marginal, and unacceptable for the technical approach factor; and substantial confidence, satisfactory confidence, limited confidence, no confidence, or unknown confidence/neutral for the past performance

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<sup>1</sup> The TOR was subsequently amended five times. Unless specified otherwise, all references are to the final version of the solicitation.

<sup>2</sup> The Alliant Small Business GWAC is a multiple-award indefinite-delivery, indefinite-quantity (ID/IQ) contract for various IT services. See <http://www.gsa.gov/portal/category/25302>. The estimated value of the task order at issue is in excess of \$10 million. Accordingly, this procurement is within our jurisdiction to hear protests related to the issuance of task and delivery orders under multiple-award ID/IQ contracts. 10 U.S.C. § 2304c(e).

<sup>3</sup> Although the solicitation anticipated the issuance of a task order under an ID/IQ contract, the record here refers to "offerors" and "proposals." For the sake of consistency, and because the distinction between a quotation and a proposal has no bearing on our analysis in this protest, we adopt the usage of the terms "proposal" and "offeror" in this decision.

<sup>4</sup> The agency assigned the record sequential BATES numbers which we use in our decision.

factor. Id. at BATES 0104-06. On August 29, based on its evaluation results, the agency determined that SBD's proposal represented the best value to the government and made task order award to SBD. Contracting Officer's Statement, Apr. 29, 2015, at 1.

On September 8, AEJV filed a protest with our Office challenging the propriety of the task order award to SBD. AEJV argued that the agency's evaluation under the technical, past performance, and price factors, and the resulting award decision, were improper. Among other things, AEJV alleged that the agency's evaluation of SBD's staffing levels was unreasonable. Protest, Sept. 8, 2014, at 9-15; Supp. Protest, Oct. 20, 2014, at 12-19.

On November 20, the agency advised our Office that it intended to take corrective action by reevaluating the proposals and making a new source selection decision. WHS Email to GAO, Nov. 20, 2014. Based on the agency's proposed corrective action, we dismissed AEJV's protest as academic. Alliant Enter. JV, LLC, B-410352, B-410352.2, Nov. 21, 2014.

WHS thereafter informed offerors that, as part of its corrective action, the agency was seeking clarification of offerors' prices as follows:

The Government has decided to re-evaluate proposals and make a new award. To facilitate the re-evaluation, the Government requests that each offeror submit additional narrative information not exceeding 10 total single-spaced pages, . . . explaining how and why its proposed price . . . , labor hours and labor categories/mix for each task/[contract line item number] and for the base year and each option year satisfies and is consistent with the solicitation/[performance work statement] requirements.<sup>5</sup>

TOR Amend. 5 (Dec. 10, 2014), at BATES 0562 (emphasis omitted).

AEJV then filed a protest objecting to the scope of the agency's corrective action. Contracting Officer's Statement, Apr. 29, 2015, at 1. We denied AEJV's protest of the agency's corrective action, finding that the agency reasonably concluded that ambiguities identified as a result of protester's initial protest were susceptible to correction through the submission of clarifications. Alliant Enter. JV, LLC, B-410352.4, Feb. 25, 2015, 2015 CPD ¶ 82.

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<sup>5</sup> Both AEJV and SBD submitted the additional pricing explanation requested. Agency Report (AR), Tab 14, AEJV Additional Pricing Explanation, at BATES 0565-74; Tab 16, SBD Additional Pricing Explanation, at BATES 0577-89.

On March 17, 2015, the agency completed its reevaluation of offerors' proposals, with the final ratings and prices for the SBD and AEJV proposals as follows:

	SBD	AEJV
Technical Approach	Good	Good
Past Performance	Substantial Confidence	Satisfactory Confidence
Evaluated Price	\$79,567,255	\$106,506,993

AR, Tab 24, Source Selection Decision, at BATES 0626.

The TEB also made findings in support of the assigned ratings. For example, under the technical approach factor, the evaluators identified 12 strengths and 2 weaknesses in SBD's proposal, and 10 strengths and 3 weaknesses in AEJV's proposal. Id., Tab 17, AEJV Technical Evaluation, at BATES 0590-96; Tab 18, SBD Technical Evaluation, at BATES 0597-0603. The agency also analyzed the labor hours proposed by each offeror. Id., Tab 21, Labor Hours and Mix Analysis, at BATES 0611-21.

The source selection authority (SSA) thereafter reviewed and accepted the TEB's evaluation findings and ratings. Id., Tab 24, Source Selection Decision, at BATES 0625-31. The SSA found that SBD was both the most highly-rated offeror overall, and \$27 million lower-priced than AEJV.<sup>6</sup> Id. The SSA then concluded that SBD's proposal represented the best value to the government all factors considered. Id. at BATES 0629-31.

On March 23, after AEJV received both notice of task order award and a debriefing, AEJV filed this protest with our Office.

## DISCUSSION

AEJV makes numerous arguments challenging the agency's evaluation and resulting selection decision. The gravamen of AEJV's protest, however, is that the agency failed to properly assess the reasonableness of SBD's proposed labor hours, which resulted in SBD's proposal being substantially lower-priced than AEJV's.<sup>7</sup> The protester also complains that the agency's evaluation of SBD's past

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<sup>6</sup> The one offeror lower-priced than SBD received a marginal technical rating and a satisfactory past performance rating. Id. at BATES 0626.

<sup>7</sup> AEJV also asserted that SBD's prices were unbalanced, and that the agency failed to consistently evaluate offerors' labor-hour amounts. Protest, Mar. 23, 2015, (continued...)

performance was improper. Additionally, AEJV contends that WHS improperly converted the basis for task order award from best value to lowest-priced, technically acceptable (LPTA).<sup>8</sup> Protest, Mar. 23, 2015, at 13-31; Protest, Apr. 20, 2015, at 3-23. We have considered all of the protester's arguments, although we address only the primary ones, and find that none provides a basis on which to sustain the protest.

#### Evaluation of SBD's Proposed Labor Hours

AEJV protests, in various ways, the agency's evaluation of SBD's proposed labor hours. The protester contends that SBD's labor-hour amounts were unreasonably low. AEJV also contends the agency failed to properly evaluate the performance risk associated with SBD's technical proposal in light of the awardee's low staffing levels. AEJV also alleges that because SBD's staffing levels were unreasonably low, its price was excessively low. AEJV argues that had the agency reasonably evaluated SBD's staffing, it would have found SBD's proposal was ineligible for task order award. Protest, Mar. 23, 2015, at 13-23; Supp. Protest, Apr. 20, 2015, at 3-23.

In reviewing protests challenging the evaluation of quotations or proposals in a task order competition, we do not conduct a new evaluation or substitute our judgment for that of the agency but examine the record to determine whether the agency's

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(...continued)

at 17-18, 22-23. AEJV subsequently withdrew these protest grounds. Protest, May 11, 2015, at 28, 30.

<sup>8</sup> AEJV also claimed that the issuance of a task order to SBD violated the Anti-Deficiency Act (31 U.S.C. § 1342), because it amounted to the improper acceptance of voluntary services. Protest, Mar. 23, 2015, at 23-25. As the Anti-Deficiency Act is not a procurement statute, we dismiss this aspect of AEJV's protest for lack of jurisdiction. See 31 U.S.C. § 3552. AEJV also alleged the agency made an improper determination of SBD's responsibility (as related to its past performance). Protest, Mar. 23, 2015, at 30. WHS was not required, however, to perform an additional responsibility determination when issuing a task order under the Alliant GWAC, since a responsibility determination was already made at the time of award of the underlying ID/IQ contract. See Booz Allen Hamilton, Inc., B-409272 et al., Feb. 25, 2014, 2014 CPD ¶ 84 at 5. Moreover, our Office generally does not review an affirmative determination of responsibility absent a showing of failure to properly apply definitive responsibility criteria, or where the protester identifies evidence raising serious concerns that, in reaching the responsibility determination, the agency unreasonably failed to consider available relevant information or otherwise violated statute or regulation, which AEJV did not do. Bid Protest Regulations, 4 C.F.R. § 21.5(c); Bannum, Inc., B-408838, Dec. 11, 2013, 2013 CPD ¶ 288 at 4.

judgment was reasonable and in accord with the evaluation criteria. Solutions by Design Alliant-JV, LLC, B-408058.4, Sept. 30, 2013, 2013 CPD ¶ 251 at 7; see SRA Int'l, Inc., B-407709.5, B-407709.6, Dec. 3, 2013, 2013 CPD ¶ 281 at 8. A protester's mere disagreement with an agency's judgment is not sufficient to establish that an agency acted unreasonably. STG, Inc., B-405101.3 et al., Jan. 12, 2012, 2012 CPD ¶ 48 at 7.

As stated above, the TOR contemplated the issuance of a hybrid fixed-price/labor-hour task order for a base year with four 1-year options. With respect to price, the TOR included Section B (pricing table) that contained contract line item numbers (CLIN) for each SOW task the contractor was to perform. TOR at BATES 0002. CLINs 1-4 were fixed-price in nature, while CLINs 5-18 were labor-hour CLINs.<sup>9</sup> Id. For each labor-hour CLIN, the offeror was to provide fixed labor rates for the labor categories it chose to propose,<sup>10</sup> as well as a "not to exceed" (NTE) number of hours for each labor category and CLIN. Id. at BATES 0002-22. For example, for CLIN 6 (Enterprise Operations Support (SOW § C.5.7)), offerors were to propose the labor categories and NTE labor amounts necessary to perform all task requirements, as well as the labor rates for the proposed labor categories. Id. at BATES 0002-03.

Also relevant to the protest here, WHS provided offerors with historical/estimated level of effort amounts for each labor-hour task for the base year (CLINs 5-18), which totaled 131,820 hours, or 70.1 full time equivalents (FTE). AR, Tab 6, Questions and Answers, at BATES 0118; AR, Apr. 30, 2015, at 9. The solicitation, however, also informed offerors that "[t]he government is interested in innovative approaches to task accomplishment and would fully consider any labor mix that provides the government with best value." Id., Tab 6, Questions and Answers, at BATES 0118

The TOR instructed offerors, with regard to their price proposals, to provide a completed Section B pricing table (all CLINs and performance periods) together with price supporting documentation that detailed, among other things, the labor categories to be used and the labor hours proposed by category.<sup>11</sup> TOR at BATES 0100-01. By contrast, with regard to technical proposals, the TOR informed offerors that "[t]he Technical Proposal shall not contain any pricing information whatsoever."

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<sup>9</sup> CLINs 1-12 reflected required SOW tasks, while CLINs 13-18 were optional tasks. TOR at BATES 0029-32. AEJV's protest is limited to the agency's evaluation of SBD's labor-hour CLINs.

<sup>10</sup> Proposed labor rates were to be based on rates that were at or below the offeror's Alliant Small Business contract labor rates. TOR at BATES 0101.

<sup>11</sup> As set forth above, the agency subsequently issued TOR Amendment 5 which instructed offerors to provide additional pricing explanation.

Id. at BATES 0100; see also id. at BATES 0102 (“[n]o pricing shall be included in the technical portion”). The TOR also stated that price would be evaluated as follows:

The offeror’s Price Proposal will be evaluated to determine price reasonableness . . . . Prices that are excessively high or low (without sufficient justification) may be considered unreasonable.

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The government will evaluate the quoted number of labor hours, mix of labor, and locality pay rates in evaluating the total price as well as any discounts quoted. . . .

Id. at BATES 0103.

AEJV proposed a constant, total NTE amount of [DELETED] hours ([DELETED] FTEs) for CLINs 5-18 for the base year and all option years. AR, Tab 10, AEJV Proposal, Vol. I, Price Proposal, at BATES 0328-46. By contrast, SBD proposed a total NTE amount of [DELETED] hours ([DELETED] FTEs) for CLINs 5-18 in the base year, with lower amounts in each successive option year such that by option year (OY) 4, the offeror proposed a total NTE amount of [DELETED] hours ([DELETED] FTEs).<sup>12</sup> Id., Tab 9, SBD Proposal, Vol. I, Price Proposal, at BATES 0130-58.

SBD also provided supporting rationale for its proposed labor hours, including an explanation for the decrease in its labor amounts for various tasks over time. For example, for the enterprise operations support task (CLIN 6), SBD stated that “[we] derived our resource levels for the . . . task based on the PWS requirements, our analysis of the level of expertise requested, and the baseline hours provided by the Government’s Question and Answer (Q&A) document.” Id., Tab 16, SBD Additional Pricing Explanation, at BATES 0583. SBD then explained that DAU was undergoing several transitional projects over the next 2 1/2 years that would reduce the requirements for network operations support: (1) DAU would be finalizing the implementation of the student information system (SIS); (2) DAU was closing IT

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<sup>12</sup> SBD’s reduction in labor hours varied by task. For example, SBD’s total labor hours for enterprise operations support task (CLIN 6) decreased from [DELETED] hours in the base year to [DELETED] hours in OY4; staffing for the acquisition workforce qualification initiative (AWQI) support task (CLIN 14) decreased from [DELETED] hours in the base year to [DELETED] hours in OY4; while staffing for the talent management system support task (CLIN 10) remained constant at [DELETED] hours annually. Id., Tab 9, SBD Proposal, Vol. I, Price Proposal, at BATES 0130-58.

operations centers at all regional campuses and would only be operating East (Fort Belvoir) and West (San Diego) centers; and (3) DAU was standardizing all operating systems on Microsoft and database applications to SQL, which would eliminate manning requirements for Linux and Oracle expertise. Id. Finally, SBD's pricing explanation set forth the corresponding reduction in network operations support staff associated with each causal reason. Id.

SBD also provided similar explanations for its proposed staffing of every other SOW task. For example, for the AWQI support task (CLIN 14),<sup>13</sup> SBD explained that its staffing level reflected the resources required during each phase of the project's lifecycle: the base year would focus on the efforts to plan, design, and begin building the repository system ([DELETED] FTEs); OY1 would involve deployment and delivery of the project to DAU ([DELETED] FTEs); the project would transition into a testing and then maintenance phase in OY2 ([DELETED] FTEs); and be followed by a sustainment effort in OY3 ([DELETED] FTEs) and OY4 ([DELETED] FTE). Id. at 0585-86. Likewise, SBD's staffing levels for the One DAU Portal project support task (CLIN 16) contemplated an intensive development effort for one or two years, to be followed by deployment and system maintenance. Id. at BATES 0587-88.

The agency evaluated the labor hours and mix proposed by each offeror.<sup>14</sup> AR, Tab 21, Labor Hours and Mix Analysis, at BATES 0611-22; see also Tab 22, Labor Mix Hours Spreadsheet, at BATES 0623; Tab 23, Labor Hour Comparison Spreadsheet, at BATES 0624. With regard to SBD, the agency evaluators were aware that the offeror's labor amounts decreased over time based on an anticipated transition of projects from a development phase to a sustainment one. Id., Tab 21, Labor Hours and Mix Analysis, at BATES 0616. The evaluators also recognized that the largest part of SBD's staffing decline related to two specific projects--AWQI and One DAU Portal (tasks 14 and 16). Id. Here the evaluators found that SBD reasonably projected the labor hour decline in the out years for these tasks, insofar as both involved finite, project-based tasks that would be completed in the first 2 contract years: the projects, therefore, could reasonably be expected to move into a sustainment or maintenance phase later on, requiring lower levels of effort. Id. The evaluators subsequently concluded that, for each task, SBD's "labor hours and

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<sup>13</sup> This task involved building the management information system to collect and retain information concerning qualifications, assignments, and tenure of persons in the acquisition workforce. SOW at BATES 0062-63.

<sup>14</sup> This was not part of the technical proposal evaluation, but was performed by the TEB.



mix were . . . considered reasonable as well as varied/mixed enough to adequately support the [SOW] requirements . . . .”<sup>15</sup> Id. at BATES 0619.

Agencies are required to consider cost or price to the government in evaluating competitive proposals. 10 U.S.C. § 2305(a)(3)(A)(ii); see Kathpal Techs., Inc.; Computer & Hi-Tech Mgmt., Inc., B-283137.3 et al., Dec. 30, 1999, 2000 CPD ¶ 6 at 9. It is up to the agency to decide upon the appropriate method for evaluation of cost or price in a given procurement, although the agency must use an evaluation method that provides a basis for a reasonable assessment of the cost of performance under the competing proposals.<sup>16</sup> Alliant Techsystems, Inc., B-410036, Oct. 14, 2014, 2014 CPD ¶ 324 at 10. When evaluating proposals for the award of a labor-hour contract, an agency may determine whether the proposed labor amounts are reasonable to perform the stated requirements: an artificially-low NTE ceiling--i.e., one that would have to be adjusted upward in order to accomplish the required work--would suggest an illusory cost savings to the agency.<sup>17</sup> Loral Aerospace Corp., B-258817, Feb. 21, 1995, 95-1 CPD ¶ 97 at 6. Here, the solicitation stated that the agency would evaluate offerors’ prices to determine if they were “excessively high or low (without sufficient justification),” and would also evaluate offerors’ labor hours and mix as part of its price evaluation. TOR at BATES 0103.

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<sup>15</sup> The evaluators also considered that although the independent government cost estimate (IGCE) was based on essentially level staffing over the entire contract (approximately 70 FTEs annually), the IGCE represented a “conservative, high-end” approach, developed for budgetary reasons, and without knowing whether “an offeror would propose innovative solutions or recognize streamlining opportunities that could potentially reduce the number of labor hours for a specific task.” Id. at BATES 0611.

<sup>16</sup> However, where, as here, a solicitation anticipates award of a labor-hour contract with fixed-price labor rates, there is no requirement that an agency conduct a price or cost realism analysis, in the absence of a solicitation provision requiring such an analysis. Lynxnet, LLC, B-409791, B-409791.2, Aug. 4, 2014, 2014 CPD ¶ 233 at 4.

<sup>17</sup> The agency acknowledges that if an offeror’s NTE ceilings for labor-hour CLINs are unreasonably low, the cost risk is on the government. WHS points to the fact that the TOR included FAR clause 52.212-4, which states that the contractor is not obligated to continue performance if to do so would exceed the ceiling price set forth in the Schedule, unless the contracting officer notifies the contractor that the ceiling price has been increased and specifies a revised ceiling, which shall then constitute the new ceiling price for contract performance. AR, Apr. 30, 2015, at 23, citing FAR clause 52.212-4(i)(3).

We find that the agency reasonably evaluated SBD's labor hours and mix when determining whether the awardee's price was too low when making its award determination.<sup>18</sup> As detailed above, SBD staffing levels varied by contract period depending on the anticipated level of effort required for each task. SBD, when determining its staffing levels, also took into account what type of work (in an IT project's lifecycle: design, development, testing, sustainment) would occur in each contract year. Consequently, SBD proposed higher amounts of labor at the beginning of the contract ([DELETED] FTEs in the base year) when it expected that extensive design and development work would occur for various tasks, and lower amounts in the later years when it anticipated that the task requirement would be primarily one of sustainment. In other instances, SBD's proposed staffing levels took into account the impact of other projects that would reduce task requirements. For example, for the enterprise operations support task (CLIN 6), SBD explained that it had reduced its proposed staffing levels because: (1) DAU would be finalizing the implementation of the student information system; (2) DAU was closing IT operations centers at all regional campuses and would only be operating two centers; and (3) DAU was standardizing all operating systems on Microsoft and database applications to SQL, which would eliminate staffing requirements for Linux and Oracle expertise. Quite simply, the record reflects that SBD gave meaningful consideration to what work was expected to occur rather than simply proposing the same levels of effort each year regardless of anticipated requirements.

The record also reflects that the agency reasonably considered SBD's labor hours and the supporting pricing explanation. For example, with regard to the enterprise operations support task (CLIN 6), the agency determined that the three specific areas identified by SBD that supported a staffing reduction--DAU SIS, datacenter consolidation, and standardizing on a single database platform--aligned well with the SOW tasks because the SIS and datacenter consolidation projects were already in progress with expected completion dates by the second contract year. AR, Tab 21, Labor Hours and Mix Analysis, at BATES 0616. Similarly, the agency also reasonably determined that SBD's projections for the phased performance of the AWQI task (CLIN 14) "align[ed] well with a streamlined and realistic effort to perform the work." Id. at BATES 0618. While the protester alleges that the agency did not fully consider the risk associated with SBD's labor amounts for the labor-hour

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<sup>18</sup> AEJV alleges the agency failed to consider, under the technical factor, the risk associated with SBD's low labor amounts. We find this argument misplaced. The solicitation stated that the technical evaluation would assess offerors' technical proposals, which "shall not contain any pricing information whatsoever." TOR at BATES 0100. Quite simply, while the agency had to evaluate whether SBD's labor hour amounts were unreasonably low, this was not part of the technical approach evaluation.

CLINs, we find this disagreement with the agency's judgment is not sufficient to establish that an agency acted unreasonably.<sup>19</sup>

AEJV also contends the agency failed to reasonably consider SBD's mix of labor. Protest, Mar. 23, 2015, at 15-16; Comments, May 11, 2015, at 26-27. The protester, however, provides no details to support its assertion that SBD's proposed labor mix was inadequate (e.g., there is no demonstration that SBD's labor categories for any specific SOW task are insufficient). By contrast, the agency argues that offerors' labor mixes were evaluated and that many labor categories proposed by offerors were closely related and substantively interchangeable (e.g., database warehouse and database specialist). AR, Apr. 30, 2015, at 23-26; Tab 21, Labor Hours and Mix Analysis, Mar. 17, 2015, at BATES 0611. Quite simply, AEJV fails to demonstrate that the agency's evaluation in this regard was unreasonable.

In sum, we find the agency's evaluation of SBD's labor hours and mix to be reasonable, consistent with the solicitation, and adequately documented. The mere fact that SBD's labor amounts were less than AEJV's does not support the protester's assertion that the awardee's staffing was inadequate to support the task order requirements.

#### Evaluation of SBD Past Performance

AEJV protests the agency's evaluation of SBD's past performance. The protester contends that WHS improperly considered the past performance of SBD's lead joint venture member, Qbase LLC, and that Qbase lacked relevant past performance.<sup>20</sup> Protest, Mar. 23, 2015, at 27-29. Our review of the record leads us to conclude that the agency's past performance evaluation was unobjectionable, as described in further detail below.

The TOR required offerors to provide three past performance references "that reflect recent [within the past 3 years] and relevant experience where the offeror has served as the prime contractor only," TOR at BATES 0102, and stated that the agency would evaluate the relevance and quality of an offeror's past performance when determining a performance confidence assessment. Id. at BATES 0104-06.

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<sup>19</sup> AEJV also argues that, to the extent the solicitation called for offerors to propose lower labor hours and prices in the option years, the solicitation contained a latent defect. Protest, Mar. 23, 2015, at 25-26. We disagree: the solicitation neither required nor precluded offerors from proposing unequal levels of labor over time, so long as the amount proposed was adequate to perform the required task.

<sup>20</sup> AEJV does not dispute the agency's evaluation of the quality of SBD's past performance, nor the evaluation of its own past performance in any regard.

SBD's proposal stated that SBD Alliant Joint Venture was the proposing entity,<sup>21</sup> and that its performance here would be led by joint-venture member and co-owner, Qbase. AR, Tab 9, SBD Proposal, Vol. III, Technical Proposal, at BATES 0176, 0183. SBD's proposal included three past performance references: (1) a Department of Homeland Security (DHS) Immigration and Customs Enforcement (ICE) IT field operations contract awarded to the QMIS Joint Venture (in which Qbase was the managing partner); (2) a Defense Health Agency (DHA) Pacific Joint Information Technology Center contract awarded to Eleu Pacific Partners JV (in which Qbase was the managing partner); and (3) a commercial IT support services contract awarded by Konecranes, Inc., to Qbase. AR, Tab 9, SBD Proposal, Vol. IV, Past Performance Proposal, at BATES 0315-19.

The TEB, when evaluating past performance, considered offerors' proposals and returned performance questionnaires to assess the relevance ("relevant," "not relevant") and the quality of offerors' prior work. See TOR at BATES 0105. The evaluators found SBD's references were relevant in size and scope to the TOR requirements, and of high quality. AR, Tab 21, SBD Past Performance Evaluation, at BATES 0606-10. For example, with regard to the DHA contract reference, the TEB found "the ability to deliver web based training/courses, web based data warehousing/repository and regional data processing center to support the regional distribution of network data processing centers does align with the requirements of the DAU TOR." Id. at BATES 0609. Also, the TEB considered in its evaluation the fact that Qbase's performance in the first two references was as a managing member of a separate joint venture entity, and the third reference did not involve a government contract.<sup>22</sup> Id.

AEJV argues that the agency's past performance evaluation of SBD should have been limited to SBD's references, and not considered the past performance of its lead member Qbase, because the TOR stated the agency would evaluate the past performance of the "offeror." AEJV also contends that, even if permissible, it was unreasonable for the agency to rely on the past performance of lead member Qbase, because SBD was required to perform the majority of the work. AEJV also alleges that Qbase lacked relevant past performance insofar as the first two references involved Qbase as a joint venture member, and the third reference was not a government contract.

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<sup>21</sup> SBD is the Alliant Small Business contract holder (contract No. GS-06F-0656Z). AR, Tab 27, SBD Task Order No. HQ0034-14-F-0182 (Aug. 29, 2014), at BATES 0634.

<sup>22</sup> For example, the agency found that even if Qbase performed half of the DHS/ICE contract, the dollar value awarded to Qbase satisfied the "dollar value" relevance element. AR, Tab 20, SBD Past Performance Evaluation, at BATES 0608.

Our Office will examine an agency's evaluation of an offeror's past performance only to ensure that it was reasonable and consistent with the stated evaluation criteria and applicable statutes and regulations, since determining the relative merit or relative relevance of an offeror's past performance is primarily a matter within the agency's discretion. InfoPro, Inc., B-408642.2, B-408642.3, Dec. 23, 2014, 2015 CPD ¶ 59 at 15; Richen Mgmt., LLC, B-409697, July 11, 2014, 2014 CPD ¶ 211 at 4. A protester's disagreement with the agency's judgment does not establish that an evaluation was improper. AT&T Corp., B-299542.3, B-299542.4, Nov. 16, 2007, 2008 CPD ¶ 65 at 19.

An agency properly may consider the relevant past performance history of the individual joint venture partners of the prime contractor in evaluating the past performance of a joint venture, so long as doing so is not expressly prohibited by the solicitation. HydroGeoLogic, Inc., B-406635 et al., July 25, 2012, 2012 CPD ¶ 224 at 5; see System Integration and Dev., Inc., B-408865.2, B-408865.3, July 10, 2014, 2014 CPD ¶ 210 at 3. We find that an agency could also properly consider the performance history of an individual joint venture partner as a member of another joint venture when reasonably predictive of the offeror's performance under the awarded contract or task order. See PMC Solutions, Inc., B-310732, Jan. 22, 2008, 2008 CPD ¶ 20 at 3; Base Techs., Inc., B-293061.2, B-293061.3, Jan. 28, 2004, 2004 CPD ¶ 31 at 11. Here, the TOR did not prohibit considering the past performance of individual joint venture partners in evaluating an offeror's past performance (the only stated limitation was that the references had to apply to work performed as a prime contractor). Accordingly, as there were three past performance references submitted on behalf of an individual joint venture partner, the SBD joint venture satisfied the solicitation requirement in this regard.

Further, we find it was reasonable for the agency to consider the past performance of Qbase, which was SBD's lead joint venture member for the effort here. Quite simply, because Qbase would be performing major or critical aspects of the work as the lead member, WHS properly could take into account in its past performance evaluation relevant past performance reasonably predictive of the quality of future performance, which the agency reasonably determined that Qbase possessed.

#### Best Value Determination

Finally, AEJV challenges the agency's best-value determination and alleges the agency improperly converted the basis of award to LPTA. In support thereof, AEJV contends the agency "simply selected the lowest priced technically acceptable offeror." Protest, Mar. 23, 2015, at 26.

Where, as here, a procurement provides for issuance of a task order on a "best value" basis, it is the function of the SSA to perform a price/technical tradeoff, that is, to determine whether one proposal's technical superiority is worth its higher price. Research and Dev. Solutions, Inc., B-410581, B-410581.2, Jan. 14, 2015,

2015 CPD ¶ 38 at 11. An agency has broad discretion in making a tradeoff between price and nonprice factors, 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 stated evaluation criteria. See Portage, Inc., B-410702, B-410702.4, Jan. 26, 2015, 2015 CPD ¶ 66 at 19.

The protester here misstates the facts. As detailed above, the record reflects that the agency evaluated offerors under the technical and past performance factors on a qualitative basis, and that SBD was determined to be both higher technically-rated and lower-priced than AEJV, such that no price/technical tradeoff was required between these offerors. Moreover, in accordance with the solicitation, the agency reasonably determined that SBD's NTE labor-hour amounts were reasonable in light of the SOW tasks. The fact that SBD's total labor hours were less than those proposed by AEJV does not support the protester's assertion that the agency improperly abandoned the stated evaluation scheme.

The protest is denied.

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