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## Decision

**Matter of:** SETA Support Services Alliance; Sigmatech, Inc.

**File:** B-401754; B-401754.2; B-401754.3; B-401754.4

**Date:** November 23, 2009

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### DIGEST

Protests that agency misevaluated proposals and performed an unreasonable price realism analysis are denied where record demonstrates that the technical evaluation was reasonable and consistent with solicitation, and any errors in the price realism analysis did not result in competitive prejudice.

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### DECISION

SETA Support Services Alliance, of Orlando, Florida, and Sigmatech, Inc., of Huntsville, Alabama, both small businesses,<sup>1</sup> protest the award of a contract to Electronic Consulting Services, Inc. (ECS), of Fairfax, Virginia, by the Department of the Army, under request for proposals (RFP) No. W900KK-08-R-0021 for systems

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<sup>1</sup> The Army argues that SETA is not an interested party because it is not a small business--which SETA disputes. Our description of a protester as a small business here is based simply on the protester's representation; the jurisdiction to determine the size status of a particular business rests with the Small Business Administration. See 4 C.F.R. § 21.5(b)(1) (2009).

engineering and technical assistance to the Army's Programming Executive Office for Simulation, Training, and Instrumentation.<sup>2</sup> SETA and Sigmatech argue that the Army misevaluated their respective proposals, misevaluated ECS's proposal, and made an unreasonable source selection decision.

We deny the protests.

## BACKGROUND

The Army issued the RFP as a small business set-aside. RFP at 1. The RFP requested proposals to provide support for "all aspects of providing responsive integrated and interoperable infrastructure for simulations, training, testing, and instrumentation solutions and acquisition services for the Warfighter and the Nation," for a base year and four option years. SETA Agency Report (AR) at 4.<sup>3</sup> The RFP included a performance work statement (PWS) describing a wide variety of requirements, all briefly described in general terms. The requirements ranged from mail delivery, clerical support, inventory management, and public affairs/event planning, to more complex tasks like acquisition planning and source selection, advising on personnel policy and personnel actions, study and analysis of domestic and foreign military capability, and systems/software engineering. RFP at 22-40.

The RFP anticipated award of a single indefinite-delivery/indefinite-quantity (ID/IQ) contract to the offeror whose proposal represented the best value.<sup>4</sup> RFP at 107. Proposals were to be evaluated on the basis of three factors, listed in descending order of importance: technical/management, performance risk assessment, and price/price realism. RFP at 117-18.

Under the most important evaluation factor, technical/management, the RFP established four subfactors: recruitment and retention, management approach,

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<sup>2</sup> The RFP here has elements of a commercial services procurement, as the solicitation incorporates clauses and provisions from the standard commercial item procurement clauses set out at Federal Acquisition Regulation (FAR) § 52.212 *et seq.*, and at Defense FAR Supplement § 252.212-7000. *See* RFP at 73, 76, 85, 101, and 105.

<sup>3</sup> Since the agency produced a separate agency report in each protest, citations to the record in this decision identify which protester's document (agency report, comments, etc.) is being cited.

<sup>4</sup> Although the protesters did not challenge the single-award structure of this procurement, and while we recognize that a single award of an ID/IQ contract for advisory and assistance services of this duration and value might be justified in some circumstances, *see* FAR § 16.504(c)(2), the breadth of the services here and the amount of money involved might have supported multiple awards so that the agency could obtain competition on individual task orders.

transition, and response to a sample task order. Id. The first two subfactors were weighted equally, after which the subfactors decreased in importance. Id. The second evaluation factor, performance risk assessment, had no subfactors, and anticipated that the agency would review each offeror's past performance to assess the risk that the firm would perform adequately.

The RFP anticipated that task orders under this contract would be issued on a time-and-materials, cost-plus-fixed-fee, or fixed-price basis, and estimated the contract value to be greater than \$200 million. RFP amend. 1, § J, attach. 10, at 2; SETA AR Tab 7, Government Estimate, at 3. The solicitation explained that "prices" for these services would be negotiated for each task order using the minimum and maximum labor rates offered. E.g., RFP at 2.

The RFP also described the agency's intended review of price realism as follows:

A risk factor associated with the contractor's ability to perform at the proposed price will be used. The Government will evaluate the realism of the Offeror's proposed costs in relation to the Offeror's specific technical approach as well as the completeness of the proposal. The Government will consider whether all costs are identified and fully explained. The Government will consider whether the proposed approach is achievable at the proposed prices. The Government will consider the completeness of the basis of estimate, the accounting system review performed by [the Defense Contract Audit Agency], the use of uncompensated overtime, the Offeror's most recent and prior year's Balance Sheet and Income Statement, and Line of Credit.

RFP at 120.<sup>5</sup>

Offerors were instructed to provide detailed information about their approach, including a plan for recruitment and retention of high-quality employees, their management approach, a transition plan, a sample task order proposal, and past performance information. In addition, the RFP provided detailed directions about where specific information should be located within the proposals. RFP amend. 2, at 5. As relevant to the protest, volume I was reserved for general information, such as teaming agreements, while volume II of the proposal was reserved for an offeror's technical/management approach.<sup>6</sup>

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<sup>5</sup> We recognize that the RFP here uses the terms "price" and "cost" interchangeably. Despite the apparent confusion, the record overall suggests that the Army viewed the proposals as price proposals, rather than cost proposals.

<sup>6</sup> Additionally, the instructions for addressing the recruitment and retention subfactor of the technical management factor directed offerors to submit a compensation plan "in accordance with Section L provision 52.222-46," id. at 5, and  
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The RFP also provided position descriptions for numerous labor categories, and an electronic spreadsheet, referred to as a “pricing workbook.” Each offeror was required to complete the pricing workbook by filling in minimum and maximum hourly labor rates for each of 44 labor categories, for each year of performance. With this spreadsheet the agency intended to calculate an estimated ceiling price using the proposed maximum hourly labor rates, and a total evaluated price using the average of the minimum and maximum hourly labor rates. RFP at 114-16. The RFP also explained that final hourly labor rates (within the range initially proposed) would be negotiated for relevant labor categories when each task order was issued. RFP at 114. Offerors were also required to submit pricing for the sample task order. RFP amend. 2, at 9.

With respect to price realism, offerors were required to submit a narrative explanation “that thoroughly and completely demonstrates that all benefits are costed by the Offeror.” The RFP advised offerors to focus on their ability to attract, hire and retain qualified personnel at the proposed rates. RFP at 115-16.

By the closing date, the Army received proposals from six offerors, including Sigmatech, SETA, and ECS. In reviewing the proposals, the evaluators summarized the significant aspects of each offeror’s approach under each subfactor, provided in-depth descriptions of each evaluated strength and weakness, and explained each subfactor rating. The evaluators also memorialized their views about the significance of each proposal’s strengths and weaknesses, and described their judgments about the proposal in assessing the final subfactor ratings. Before turning to the overall results of the evaluation, we set forth below relevant information about the proposals and evaluations of Sigmatech, SETA, and ECS.

### Sigmatech Proposal

Sigmatech’s technical/management proposal highlighted its use of team coordinators (for which it used the acronym TC), drawn from each of its team member firms. The proposal described the role of the TCs as providing support for the program manager, and noted that the “TC and quality manager functions are provided as [DELETED].” Sigmatech AR Tab 7, Sigmatech Proposal, vol. II, at 5, 16, 17. Sigmatech’s sample task proposal described Sigmatech’s [DELETED] as its task coordinator (for which it also used the acronym TC). *Id.* at 26. The proposal described a range of duties for both the program manager and deputy program manager, including holding scheduled coordination meetings to concurrently manage as many as 100 or more task orders. *Id.* at 17-18.

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(...continued)

later directed offerors to include their compensation plan in volume II as an appendix. RFP attach. 10, at 21 (Answer to Question 104); accord. RFP amend. 2, at 4 (table of proposal volumes, contents, and page limits).

The evaluation of Sigmatech under the recruitment/retention subfactor of the technical/management factor identified four strengths and no weaknesses, and assigned a rating of satisfactory. The evaluators acknowledged what they termed the “substance” of Sigmatech’s plan, but noted that two of its strengths provided limited advantages, and likely would have minimal impact on Sigmatech’s performance. The evaluators then expressed their overall view that Sigmatech’s strengths did not merit a rating higher than satisfactory. Sigmatech AR Tab 9, Sigmatech Technical Evaluation, at 13.

The evaluation of Sigmatech’s proposal under the second technical/management subfactor, management approach, was rated marginal on the basis of two weaknesses: (1) placing too many responsibilities on its program manager and deputy program manager; and (2) using the terms “task coordinator” and “team coordinator” (and their acronyms) interchangeably. This lack of precision resulting from the use of the same acronym to mean two different things led the evaluators to conclude that Sigmatech did not have an adequate understanding of the requirements. Sigmatech AR Tab 9, Sigmatech Technical Evaluation, at 20-22.

With regard to the transition subfactor, Sigmatech was rated satisfactory--and assessed a weakness--because its transition staffing chart appeared inconsistent with other aspects of the proposal. *Id.* at 28. Finally, under the task order approach subfactor, Sigmatech was again rated only satisfactory, because the proposal employed a different approach than Sigmatech had described in the management approach section of the proposal, thus resulting in a lack of clarity. *Id.* at 35-36.

#### SETA Proposal

SETA’s proposal indicated that it was a team of four member firms: The Tolliver Group, Inc., Applied Visual Technologies, Inc., Systems Integration Management Technologies, Inc. and Good2Go Event Management. SETA Proposal, vol. II at 2. Comments at 18-19. In addition to these four primary companies, one of SETA’s subcontractors was the incumbent prime contractor, Morgan, a Stanley Company (also referred to as Stanley Associates). *Id.* SETA’s proposal stated that SETA and its team members had existing employment arrangements with over 200 of the incumbent employees, amounting to 72 percent of the workforce needed to perform the work in the RFP. *Id.* at 4, 24. However, contrary to the instructions in the RFP, SETA’s proposal did not include a total compensation plan in volume II of the proposal (reserved for information about the technical/ management approach); instead SETA submitted only a summary, while more in-depth compensation and benefits information was included among the joint venture agreement documents in volume I of SETA’s proposal (the general volume).

The evaluation of SETA under the recruitment/retention subfactor of the technical/management evaluation factor identified no strengths, one weakness, and one significant weakness, which resulted in a subfactor rating of marginal. SETA AR Tab 11, SETA Evaluation Report, at 1. With respect to these weaknesses, the

evaluators assigned a significant weakness for failing to provide sufficient information for the evaluators to determine if SETA's compensation plan would be adequate to recruit and retain high-quality personnel. The evaluators were also concerned that SETA's approach indicated that the firm focused on local Orlando-area compensation surveys, but did not reflect the use of broader national surveys. Furthermore, the evaluators faulted SETA's approach of reassigning underperforming employees because, in the evaluators' view, the approach suggested an attempt to avoid responsibility for the removal of these employees. SETA AR Tab 11, SETA Evaluation Report, at 13. As a result, the evaluators assigned SETA a marginal rating under the recruitment/retention subfactor.

Under the second technical/management subfactor, management approach, the evaluators valued—and viewed as strengths—SETA's approach of having a single autonomous general manager for the entire SETA team with the authority to manage performance, and its use of a task order proposal template. Nevertheless, they found that these two strengths were outweighed by five weaknesses “which result in an approach that is not likely feasible.” *Id.* at 22. Out of five weaknesses identified by the evaluators, the two most significant were that (1) SETA's management structure made lines of authority and responsibility unclear, resulting in task order leaders who did not bear responsibility or accountability for contract performance; and (2) SETA had not adequately addressed how it would meet the challenges of managing the multiple and sophisticated technical disciplines required to perform these services. The evaluators viewed the five weaknesses, and particularly the two significant weaknesses summarized here, as negating SETA's strengths, and therefore assigned a marginal rating under the management approach subfactor. *Id.* at 21.

Under the two remaining subfactors of the technical/management factor, SETA was rated satisfactory under the transition subfactor (based on one strength) and satisfactory under the task order subfactor (based on two weaknesses). *Id.*

### ECS Proposal

For ECS's technical proposal, the evaluators identified a total of 14 strengths and 2 weaknesses. Under the recruitment/retention subfactor, they identified four strengths, based on the firm's comprehensive plan for anticipating recruitment needs, its uniform retirement benefit vesting policy, providing comparable benefits among team members, and providing access to high-level consultants where needed. Even so, the evaluators rated ECS satisfactory after concluding that these strengths did not merit a higher rating. SETA AR Tab 12, ECS Technical Evaluation, at 13-15.

Under the management approach subfactor of the technical/management evaluation factor, the evaluators found ECS's proposal provided a clear and consistent approach to staffing and managing task order performance, used a software tool to manage information about tasks, and proposed a helpful approach to identifying and mitigating risks during performance. They also noted that the proposal identified a

clear chain of command and definition of responsibilities, which the evaluators counted as a significant strength for the proposal. Id. at 21-23.

With respect to the transition subfactor, the evaluators identified five specific strengths, including ECS’s well-planned approach to assuming contract performance, and its plan to strategically collect information learned during the transition for use in subsequent transitions. Id. at 29-30. Taken together, the evaluators concluded that ECS should be rated highly satisfactory under the transition subfactor. While the evaluators also identified two specific strengths in ECS’s proposal under the task order subfactor, they identified weaknesses where ECS had not proposed adequate personnel in two engineering elements of the task order. The evaluators considered the significance of those strengths and the weaknesses, and judged ECS’s proposal under the task order subfactor to merit a rating of satisfactory.

With respect to ECS’s performance risk assessment, the evaluators considered both the information submitted by the firm, including a matrix correlating the relevance of particular references to the scope of the RFP, and additional information retrieved from the Contractor Performance Assessment Reporting System (CPARS). ECS’s past performance matrix showed that its references demonstrated the firm’s experience in all but one area of the performance work statement—security and visitor control. While ECS submitted references for each of its subcontractors, the evaluators located no CPARS reports for one of them, Washington Consulting Government Services (WCGS), and they evaluated instead the CPARS reports for WCGS’s parent company.

#### Overall Evaluations

In summary, the subfactor ratings for all offerors under the technical/management factor were as follows:

<b>Offeror</b>	<b>Recruitment/ Retention</b>	<b>Management Approach</b>	<b>Transition</b>	<b>Task Order</b>
Offeror A	Satisfactory	Unacceptable	Marginal	Unacceptable
<b>ECS</b>	Satisfactory	Highly Satisfactory	Highly Satisfactory	Satisfactory
<b>Sigmatech</b>	Satisfactory	Marginal	Satisfactory	Satisfactory
Offeror D	Satisfactory	Satisfactory	Marginal	Marginal
<b>SETA</b>	Marginal	Marginal	Satisfactory	Satisfactory
Offeror F	Satisfactory	Marginal	Satisfactory	Unacceptable

SETA AR at 17; Sigmatech AR at 13; SETA AR Tab 28/Sigmatech AR Tab 17, Source Selection Decision Document (SSDD), at 4-6.

These subfactor ratings evaluations were then used to assign a single overall technical/management factor rating to each offeror. The results of the evaluation can be summarized as follows<sup>7</sup>:

<b>Offeror</b>	<b>Technical/ Mgmt.</b>	<b>Total Evaluated Price</b>	<b>Ceiling Price</b>
Offeror A	Marginal	\$228.7 million	\$297.8 million
<b>ECS</b>	Highly Satisfactory	\$229.9 million	\$270.6 million
<b>Sigmatech</b>	Satisfactory	\$230.5 million	\$275.4 million
Offeror D	Satisfactory	\$244.9 million	\$304.4 million
<b>SETA</b>	Marginal	\$197.7 million	\$273.2 million
Offeror F	Marginal	\$240.6 million	\$292.3 million

SETA AR at 16; Sigmatech AR at 12; SETA AR Tab 28/Sigmatech AR Tab 17, SSDD at 3 (dollar amounts have been rounded).

#### Price and Price Realism Analysis

As noted above, the RFP provided that labor rates would be established at the time of order placement, and therefore offerors were instructed to provide only ranges (minimum and maximum rates) in their proposals. In the price realism analysis, the Army compared each offeror's labor rate ranges and its total evaluated price (derived from those ranges) to an independent government cost estimate.

With respect to the labor rate comparison, the Army noted that many of SETA's rate ranges varied significantly (more than 20 percent above or below) from the rates in the government estimate. SETA AR Tab 15, SETA Price Realism Evaluation, at 4. The Army explains that this comparison was intended to identify any offeror that had attempted to "game" the evaluation by proposing minimum rates that were unreasonably low and would be unlikely to be offered during performance, but would make the offeror's evaluated prices seem low. SETA Supp. AR at 6. In an effort to focus further on the labor categories with the most significant effects on pricing, the Army selected the 10 most heavily-used labor categories and compared those rates to the government estimate. This comparison again showed that SETA's minimum rates were consistently below the government estimate by 20 to 51 percent. SETA AR Tab 15, SETA Price Realism Evaluation, at 6.

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<sup>7</sup> For simplicity, since all offerors received low risk ratings under both the performance risk assessment factor and the price realism evaluation, those ratings have been omitted here. The evaluation summary also indicated that both SETA and Offeror D were evaluated as not offering "fair market price[s]." SETA AR at 16.

Finally, the agency compared each offeror's total evaluated price to the government estimate and noted that SETA's total evaluated price of \$197,704,721.80 was approximately 11.1 percent below the government estimate of \$222,458,398.60. Based on this analysis, the agency concluded that SETA had not proposed realistic prices. Id. at 3. In contrast, nearly all of ECS's proposed rates were within 20 percent of the government estimated rates, and the firm's total evaluated price was within 10 percent of the government estimate. The evaluators therefore determined that ECS had submitted reasonable prices. SETA AR Tab 16, ECS Price Evaluation, at 4-5.

#### Selection for Award

In reviewing the evaluation results here, the source selection authority (SSA) concluded that, considering ECS's evaluation and prices, ECS's proposal offered better value than the other offerors.

With respect to Sigmatech, the SSA noted that ECS was rated higher than Sigmatech under the technical/management factor, that both firms were rated low risk in the performance risk assessment factor, and that Sigmatech's evaluated prices were higher than ECS's prices. The SSA then concluded that Sigmatech's proposal offered no advantages that would justify paying its higher evaluated prices.

With respect to SETA, the SSA noted ECS's higher rating under the technical/management factor, and the low risk rating of both firms under the performance risk assessment. In this regard, the SSA expressed concern that SETA's technical/management approach "may not be capable of meeting all the requirements and reflects a high risk." SETA AR Tab 28, SSDD, at 9. The SSA further stated his concern that SETA's approach contained significant flaws and had been rated marginal under the two most significant subfactors. Based on those concerns, the SSA concluded that SETA's proposed approach could result in unsatisfactory performance and might not be feasible or practical. Id. at 10.

Turning to price, the SSA noted that SETA had a lower total evaluated price than ECS, but a higher price for the sample task order, and a higher ceiling price. While the SSA noted that SETA had been evaluated as having proposed an unrealistic price, the firm was rated as presenting low risk under price realism. Nonetheless, the SSA observed that even if SETA's pricing had been found to be reasonable, he would still select ECS over SETA because he viewed ECS's technical superiority as outweighing SETA's lower evaluated price. Id.

Accordingly, based on initial proposals, the SSA selected ECS's proposal for award, and notified the unsuccessful offerors on August 10. SETA filed its initial protest on August 14, while Sigmatech filed on August 19.

## DISCUSSION

Both SETA and Sigmatech raise numerous challenges to the evaluation of proposals and the resulting source selection decision. We will address Sigmatech's arguments first.

Sigmatech argues that its proposal was misevaluated under the technical/management factor. In particular, Sigmatech raises specific challenges to its ratings under each of the subfactors. Under the recruitment/retention subfactor, the firm argues that the strengths identified in its proposal should have resulted in a rating of highly satisfactory. Sigmatech Protest at 7-10. With respect to the management approach subfactor, Sigmatech acknowledges that it ambiguously used the acronym TC to mean both team coordinator and task coordinator, but argues that the Army should have understood the intended meaning. Sigmatech Protest at 10-12. Sigmatech also argues that its proposal was unreasonably downgraded under the transition and task order subfactors. Sigmatech Protest at 14-15. Thus, even though Sigmatech's proposal was higher priced, the firm argues that it should have been evaluated as superior to ECS, and therefore should have received the award.

The Army responded to each of these arguments. First, with respect to the evaluation of Sigmatech's proposal under the recruitment/retention subfactor, the Army argues that the contemporaneous record reflects reasonable consideration by the evaluators, who concluded that Sigmatech's strengths were not sufficient to justify a rating higher than satisfactory. Sigmatech AR at 21; Sigmatech AR Tab 9, Evaluation Report, at 5. Second, with respect to the management approach subfactor, the Army argues that Sigmatech's use of the same acronym for two different functions was not an obvious mistake that the evaluators should have corrected. Instead, the agency contends that Sigmatech's mistake suggested that the firm did not see the importance of distinguishing the functions of task coordinator and team coordinator. Accordingly the Army argues that Sigmatech submitted a poorly-written proposal, and that its evaluators reasonably rated it as marginal under the management approach subfactor. Sigmatech AR at 23-25.

Where a protest challenges an agency's technical evaluation, this Office will review the evaluation record to determine whether the agency's judgments were reasonable and consistent with the stated evaluation criteria and applicable procurement statutes and regulations. Rome Research Corp., B-291162, Nov. 20, 2002, 2002 CPD ¶ 209 at 4. A protester's disagreement with an agency's judgments does not render the evaluation unreasonable. Id. Where a protester also challenges the selection rationale, we will review whether the award decision was reasonable in light of the RFP evaluation scheme, and whether the selection official adequately documented the basis for the selection. Dayton T. Brown, Inc., B-229664, Mar. 30, 1988, 88-1 CPD ¶ 321 at 5; DynCorp, B-245289; B-245289.2, Dec. 23, 1991, 91-2 CPD ¶ 575 at 7.

In our view, the Army's evaluation of Sigmatech's proposal under the two most important technical/management subfactors was reasonable. The contemporaneous

record shows that the evaluators reasonably concluded that the identified strengths did not justify a rating higher than satisfactory. Sigmatech's argument that its strengths mandated a higher rating is unpersuasive, and represents mere disagreement with the well-documented judgments of the evaluators. Agency evaluators are expected to make judgments about the significance of strengths and weaknesses, rather than assign ratings mechanically. See Cherry Road Techs.; Electronic Data Sys. Corp., B-296915, et al., Oct. 24, 2005, 2005 CPD ¶ 197 at 8. Moreover, we note that ECS also had four strengths under the recruitment/retention subfactor, and the evaluators decided that those strengths did not merit an evaluation above satisfactory. This undercuts the protester's contentions that offerors were treated unequally here.

With respect to the evaluators concerns about Sigmatech's ambiguous use of the terms team coordinator and task coordinator, we agree with the agency evaluators that this error suggests problems with the proposal's management approach. Based on the record here, we do not think the agency evaluators were required to correct Sigmatech's terminology, seek clarification about the proposal's intended meaning, or open discussions. Instead, we think the agency had a reasonable basis to rate Sigmatech as marginal under this subfactor.

Since we conclude that the record supports the evaluation of Sigmatech's proposal under the two most important subfactors under the technical/management factor, we find it unnecessary to consider Sigmatech's remaining arguments. Based on this record, even if Sigmatech's evaluation were to improve under the two least important evaluation subfactors, ECS would remain higher rated than Sigmatech, and Sigmatech would still have a higher evaluated price. Thus, we conclude that Sigmatech would not have been competitively prejudiced by any error in the evaluation of the remaining, less important, subfactors. Accordingly, Sigmatech's protest is denied.

With respect to SETA's protest, the firm argues that both its and ECS's proposals were misevaluated under essentially every factor and subfactor. In many of its grounds of protest, SETA argues that the Army failed to take into account the firm's incumbent status, and therefore improperly downgraded its proposal, while improperly rating the proposal of ECS as equal or superior to SETA's proposal. For example, under the recruitment/retention subfactor, SETA argues that it already employs 72 percent of the needed workforce as a result of its incumbency, and therefore its proposal should have been rated highly satisfactory under this subfactor. SETA Protest at 13; SETA Comments at 7. SETA also argues that the weaknesses assessed for having an inadequate compensation plan, and for failing to indicate that the firm would use national compensation surveys, were improper because its knowledge as the incumbent demonstrates its competence at recruitment and retaining excellent employees. E.g., SETA Comments at 16. Finally, SETA argues that its proposal was treated unequally in light of the strengths assigned to ECS's proposal for its stated goal of retaining the entire incumbent workforce. SETA Supp. Comments at 14.

In response, the Army points out first that, as a factual matter, the incumbent contractor is Stanley Associates, which is not SETA, nor is Stanley one of the four primary companies identified in SETA's proposal (although some evidently performed as subcontractors to Stanley). SETA AR at 6. Instead, Stanley is proposed as a subcontractor to SETA. Additionally, the Army argues that the evaluators' criticisms of SETA's proposal were reasonable because that proposal did not show that the firm had a thorough plan to recruit and retain employees, as the RFP required. While the Army acknowledges that the RFP did not narrowly require offerors to utilize national salary surveys, the agency explains that it was concerned that SETA's proposal did not show that the firm was adequately prepared to recruit and retain employees at a national level, as opposed to recruiting in the Orlando, Florida area.

Again, we see nothing unreasonable about the concerns reflected in the evaluation of SETA's proposal. Specifically, SETA has not shown that the agency erred by not crediting the firm under the recruitment/retention or transition subfactors because of its relationship with the incumbent. Rather, the Army evaluators reasonably based their evaluation on the content of SETA's proposal. While the evaluators recognized that SETA's team members already employed many of the required personnel, they also concluded that SETA's approach to recruitment and retention and its approach to transition were not sufficiently thorough.

We also think there was nothing unequal about SETA's evaluation when compared to the evaluation of ECS. The record supports the evaluators' conclusions that ECS submitted a more thorough and consistent proposal for recruitment and retention, management approach, and transition, even though ECS acknowledged that it had employment relationships with only a fraction of the incumbent personnel. As discussed above, the evaluators identified specific strengths in ECS's proposal, considered whether they provided a substantive benefit, and reached a reasoned conclusion about the appropriate rating. SETA AR Tab 12, ECS Technical Evaluation, at 13-15, 21-24, 29-30, 37-39.

To the extent SETA argues that the agency failed to distinguish between SETA's past performance and ECS's, the record shows that ECS identified how its past performance related to the scope of work under the RFP. SETA AR Tab 10, ECS Proposal, vol. III, at 23-44 (narratives relating scope of past performance references to functional areas of PWS). In our view, the performance risk assessment reasonably found ECS to have relevant past performance.<sup>8</sup> While SETA contends

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<sup>8</sup> SETA also argues that the Army should not have considered past performance for a parent company of WCGS, one of ECS's team members. In response, the Army argues that the record shows that the evaluators had a reasonable basis for considering the parent company's CPARS to be relevant, and that ECS's rating was amply supported even without it. SETA Supp. AR at 52-55. Where, as appears to be the case here, the evaluation record lacks definitive indications of what role, if any, (continued...)

that its own past performance is significantly more relevant than ECS's, it has not shown that the RFP required the Army to downgrade ECS. Where, as here, both offerors have relevant past performance, an agency is not required to further differentiate between the past performance ratings based on a more refined assessment of the relative relevance of the offeror's prior contracts, unless required by the RFP. S4, Inc., B-299817, B-299817.2, Aug. 23, 2007, 2007 CPD ¶ 164 at 9.

To the extent SETA argues that the price realism analysis was faulty because it relied on relatively small differences between offerors' rates, total evaluated prices, and the independent government estimate to find SETA's prices unreasonable, the SSA made clear in the contemporaneous record that, even if SETA's prices had been deemed reasonable, ECS's evaluated superiority over SETA still justified award to ECS at its higher price. As discussed above, the record supports the evaluation under the technical/management and performance risk assessments factors on which the SSA's judgment was based. Accordingly, we have no basis to conclude that any error in the price realism analysis was competitively prejudicial to SETA. Our Office will not sustain a protest unless the protester demonstrates a reasonable possibility that it was prejudiced by the agency's actions, that is, unless the protester demonstrates that, but for the agency's actions, it would have had a substantial chance of receiving the award. McDonald-Bradley, B-270126, Feb. 8, 1996, 96-1 CPD ¶ 54 at 3; see Statistica, Inc. v. Christopher, 102 F.3d 1577, 1581 (Fed. Cir. 1996).

In conclusion, the record here reflects a detailed, well-reasoned, and even-handed evaluation of SETA, Sigmatech, and ECS. The evaluators summarized numerous significant aspects of each proposal under each subfactor, identified strengths and weaknesses, and explained the reasoning for each one. They then made considered judgments about whether those strengths and weaknesses were sufficiently

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an affiliated company would have in contract performance, there is no basis for the agency to consider or give credit in the evaluation for the past performance of that affiliate. Health Net Fed. Servs., LLC, B-401652.3, B-401652.5, Nov. 4, 2009, 2009 CPD ¶ 220 at 15. Nevertheless, SETA has not shown that this error affected ECS's performance risk rating. The record here shows that even without the three CPARS, ECS's team had highly-rated relevant past performance that was comparable to SETA's team. SETA AR Tab 14, ECS Performance Risk Evaluation, at 8; see also ECS Supp. Comments at 21. In short, SETA has not shown that but for this error, it would have had a reasonable likelihood of receiving the award.

substantive to merit a higher or lower rating. Since the evaluation record here is consistent with the evaluation criteria, our Office has no basis to question it merely because the protesters disagree.

The protests are denied.

Lynn H. Gibson  
Acting General Counsel