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Decision

Matter of: Perspecta Enterprise Solutions, LLC

File: B-418533.2; B-418533.3

Date: June 17, 2020

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John McHugh, Esq., Libbi Finelsen, Esq., and Philip Hadji, Esq., Department of the Navy, for the agency.

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DIGEST

1. Protest that the awardee gained an unfair competitive advantage based on the hiring of a former government employee is denied where the record does not support the allegation.
2. Protest that agency improperly waived a potential organizational conflict of interest is denied where the waiver was consistent with the requirements of the Federal Acquisition Regulation.
3. Protest challenging the agency's technical and management approach evaluations is denied where the protester fails to demonstrate that, but for the alleged errors, its proposal would not have been rated lower than the awardee's proposal.
4. Protest alleging that discussions were not meaningful is denied where the agency was under no obligation to advise the protester of defects introduced by the protester in its revised proposal.

5. Protest that the agency engaged in misleading discussions that led the protester to increase its proposed direct labor rates is denied where the record does not support the protester's contention, and where the protester made its own independent business decision regarding how to respond to the agency's concerns.

6. Protest challenging the agency's price realism evaluation is denied where, notwithstanding apparent flaws in the methodology, the protester failed to demonstrate competitive prejudice.

7. Protest that the agency unreasonably evaluated protester's past performance is denied where the record shows that the evaluation was reasonable and consistent with the firm's record of past performance and the terms of the solicitation.

DECISION

Perspecta Enterprise Solutions LLC (Perspecta), of Herndon, Virginia, protests the award of a contract to Leidos, Inc., of Reston, Virginia, under request for proposals (RFP) No. N00039-18-R-0005, issued by the Department of the Navy, Naval Information Warfare Systems Command (NAVWAR), for the supplies and services necessary to operate the Navy's enterprise-wide information technology (IT) networks.¹ Perspecta contends that Leidos gained an unfair competitive advantage based on its hiring of a former NAVWAR official and that the Navy's waiver of an organizational conflict of interest was not reasonable. Perspecta also challenges the agency's evaluation of offerors' proposals and resulting award decision.

We deny the protest.

BACKGROUND

The Navy operates one of the largest combined IT networks in the world, comprised of the Navy Marine Corps Intranet (NMCI), the Outside Continental United States (OCONUS) Navy Enterprise Network (ONE-Net), the Marine Corps Enterprise Network (MCEN), and other legacy networks.² AR, Tab 1, Conformed RFP attach. J-1 Performance Work Statement (PWS) at 1. Together, NMCI, ONE-Net, and MCEN, provide secure end-to-end IT services to over 430,000 hardware devices and 650,000

¹ On June 3, 2019, the Navy changed the name of the Space and Naval Warfare Systems Command (SPAWAR) to the Naval Information Warfare Systems Command (NAVWAR). Contracting Officer's Statement and Memorandum of Law (COS/MOL) at 1 n.1. The planning and initial stages of this procurement were carried out prior to the name change so documents in the solicitation may refer to SPAWAR, depending on when the documents were created.

² The RFP was amended fifteen times. Agency Report (AR) Tab 1, Conformed RFP at 2-29. Unless otherwise noted, all references to the RFP are to the conformed, last amended solicitation.

users at over 1,600 sites in the Continental United States (CONUS), Hawaii, Alaska, Puerto Rico, and many OCONUS sites, varying from installations to single user locations. *Id.* This procurement is for the Next Generation Enterprise Network Re-Compete (NGEN-R) Service, Management, Integration, and Transport (SMIT) solicitation. COS/MOL at 1.

The NGEN-R contract will provide “services that implement an enterprise-wide capability for effective and integrated operations, oversight, responsibility, and accountability for the NMCI and the MCEN, incorporate the ONE-Net into a converged enterprise IT services business model, and support [Department of Defense] (DOD) Agency/military department[]convergence to the same enterprise IT services business model albeit in separate management domains” for the Navy and Marine Corps. PWS at 1. The NMCI and MCEN systems will each integrate operations within their respective management domains and align all current and future IT and cyber-enabled initiatives, while simultaneously allowing for end-to-end reporting, management, and defense of the DOD Information Networks. PWS at 2-3. Contract services are divided into seven areas: productivity, user support, transport services, cloud computing services, network operations, IT service management, and enabling activities. PWS at 3.

The RFP was issued on an unrestricted basis on October 18, 2018, pursuant to Federal Acquisition Regulation (FAR) part 15 procedures. COS/MOL at 4. The solicitation contemplated the award of a single indefinite-delivery, indefinite-quantity (IDIQ) contract under which fixed-price and cost-reimbursable task orders would be placed during a 5-year base period with three 1-year options. AR, Tab 1, RFP at 418, 430, 540.

Contract award would be made on a best-value tradeoff basis, based on six evaluation factors: gate criteria, technical approach, management approach, past performance, transition approach, and cost/price. RFP §§ M-1, M-3. The government would first evaluate proposals under the gate criteria factor on an acceptable/unacceptable basis; proposals rated acceptable would be evaluated under the other factors. *Id.* § M-1(d). Technical approach was more important than management approach, which was more important than past performance; together these factors were significantly more important than cost/price. *Id.* § M-1(f)(1). The technical and management factors were comprised of subfactors of equal importance, which would be assigned adjectival ratings, whereas the transition approach factor and its subfactors were to be evaluated on an acceptable/unacceptable basis.³ *Id.* § M-1(f)(1) and (2). The past performance

³ Adjectival ratings for the technical approach and management approach subfactors were: outstanding, good, acceptable, marginal, and unacceptable. RFP § M-2.2(b). The Navy only assigned adjectival ratings to the subfactors and did not assign an overall technical rating. RFP § M-1(f)(2).

factor encompassed three aspects: recency, relevancy, and performance.⁴ *Id.* § M.2-3(a). The RFP provided that offerors' cost/price proposals would be evaluated for completeness, reasonableness, realism, and unbalanced pricing. *Id.* § M-3(f).

Three offerors, including Perspecta (an incumbent) and Leidos, submitted proposals by the January 24, 2019, closing date.⁵ The agency's technical evaluation team evaluated the non-cost/price proposals in accordance with the rating scheme set forth in the RFP. COS/MOL at 6. The evaluators identified strengths, weaknesses, significant weaknesses, deficiencies, and areas within the transition approach that did not meet solicitation requirements. *Id.* at 7; AR, Tab 100, Supp. Docs. Produced Apr. 21, 2020, Initial Source Selection Evaluation Board (SSEB) Report at 2. The evaluators also identified cost/price findings associated with the initial proposals. COS/MOL at 7; AR, Tab 100, Supp. Docs. Produced Apr. 21, 2020, Initial Cost Price Evaluation Board (CPEB) Report at 1.

Following the initial evaluation, the agency established a competitive range that included all three proposals and entered into discussions. AR, Tab 51, Competitive Range Determination. On July 15, 2019, the agency provided offerors with evaluation notices (EN) advising them of proposal areas requiring correction, explanation, and/or additional information. COS/MOL at 7; see e.g., AR, Tab 52, Perspecta EN Letter; AR, Tab 53, Perspecta Technical EN; AR, Tab 54, Perspecta Cost/Price EN. The agency received and responded to offerors' questions about the findings. COS/MOL at 7. After discussions closed, the Navy requested final proposal revisions (FPRs) from all three offerors. *Id.* at 19; see e.g., AR, Tab 70, Perspecta FPR Letter; AR, Tab 71, Perspecta FPR Letter Addendum.

The Navy evaluated the FPRs as follows:⁶

⁴ The agency assigned proposals one of the following ratings under the past performance factor: substantial confidence, satisfactory confidence, limited confidence, no confidence, or unknown (neutral) confidence. RFP § M.2-3(c).

⁵ Perspecta is the incumbent contractor on the NGEN contract, which operates and maintains NMCI, and is currently performing the NGEN bridge contract (NGEN-X). Protest at 11, 12. Under the NGEN-R contract, NMCI will converge with ONE-Net; the enterprise IT baseline will retain the NMCI name. PWS at 1.

⁶ Leidos and Perspecta both received acceptable ratings for the gate criteria and transition approach subfactors. AR, Tab 77, Source Selection Decision Document (SSDD) at 1, 2, 10. As these factors are not included in the tradeoff analysis and have no effect on the outcome of this decision, we do not discuss them further. See *id.* at 10.

	Factor/Subfactor	Leidos	Perspecta
Technical Approach	Systems Engineering	Outstanding ⁷	Marginal ⁸
	Network Transformation/Modernization	Outstanding	Acceptable ⁹
Management Approach	Program Management Plan	Outstanding	Good ¹⁰
	Network Operations	Outstanding	Marginal
	Tools Management and Data Access	Outstanding	Marginal
	Supply Chain Risk Management	Acceptable	Acceptable
Past Performance		Substantial Confidence	Satisfactory Confidence
Cost/Price	Total Evaluated Cost/Price	\$6,322,574,087	\$6,849,265,796

AR, Tab 79, Final SSEB Report at 1-2; AR, Tab 78, Final Source Selection Advisory Council (SSAC) Report at 37, AR, Tab 80, Final CPEB Report at 10.

The SSAC recommended award to Leidos because its total evaluated cost/price was the lowest overall and its proposal was technically superior to Perspecta’s proposal. Final SSAC Report at 44. The source selection authority (SSA) conducted an independent review of the documentation, concurred with the SSAC, and determined that Leidos’s proposal provided the best value to the government. SSDD at 13. The SSA determined that a tradeoff analysis was not warranted because she could not justify awarding to Perspecta for a \$526,691,709 price premium when Perspecta’s proposal was technically inferior, significantly less advantageous, and provided a higher risk of unsuccessful contract performance. *Id.*

⁷ Outstanding means exceptional approach and understanding, with strengths far outweighing weaknesses. RFP § M-2.2(b).

⁸ Marginal means inadequate approach and does not clearly meet requirements, with one or more weaknesses not offset by strengths. RFP § M-2.2(b).

⁹ Acceptable means adequate approach, with offsetting strengths and weaknesses. RFP § M-2.2(b).

¹⁰ Good means thorough approach, with strengths outweighing weaknesses. RFP § M-2.2(b).

On February 5, 2020, the Navy notified Perspecta that it had awarded the contract to Leidos at a potential total cost of \$7,729,639,286, if all options were exercised. AR, Tab 75, Contract Award Notice. Subsequently, Perspecta requested and received a debriefing, which included several rounds of question-and-answer exchanges. COS/MOL at 63. The debriefing concluded on February 24 and this protest followed.

DISCUSSION

Perspecta challenges nearly every aspect of the Navy's evaluation. The protester argues that: (1) Leidos received an unfair competitive advantage based on its hiring of a former NAVWAR official; (2) the Navy's organizational conflict of interest (OCI) waiver was unreasonable and failed to meet FAR requirements; (3) the agency's technical evaluation was unreasonable, applied unstated criteria, reflected disparate treatment, and was otherwise materially flawed; (4) the agency failed to conduct meaningful discussions; (5) the agency's price realism evaluation was unequal and unreasonable; (6) the agency's cost realism evaluation was unequal and unreasonable; (7) the agency evaluated Perspecta's past performance references unreasonably and did not evaluate the two offerors' references on a common basis; and (8) the agency's best-value award decision was unreasonable. While our decision here does not specifically discuss every argument raised, we have considered all the protester's allegations and find no basis to sustain the protest.¹¹ We discuss the principal allegations below.

Unfair Competitive Advantage from Employment of Former Government Official

Perspecta contends that Leidos gained an unfair competitive advantage by proposing a former NAVWAR official for the position of NGEN-R program manager. In this respect, Leidos's proposed program manager served as an executive assistant to the commander of NAVWAR before leaving the Navy in October 2016.¹² Perspecta alleges that in this role the former official had access to competitively useful, non-public information because: (1) he had delegated access to the NAVWAR commander's email account; (2) he personally arranged meetings for the commander to discuss Perspecta's performance on the incumbent NGEN contract; and (3) he directly received correspondence and inquiries from NGEN contractor personnel relating to the NGEN program and Perspecta's incumbent contract. Perspecta asserts that, as Leidos's proposed NGEN-R program manager, the former official had ample opportunity to use

¹¹ For example, Perspecta alleged in its initial protest that the agency unreasonably evaluated Leidos's proposal under the technical and management approach factors. Protest at 135-141. We dismissed these allegations because they were based on mere speculation as to the contents of Leidos's proposal, which did not provide a sufficient factual basis for a protest ground. Notice of Partial Dismissal at 1-2, citing *Mark Dunning Indus., Inc.*, B-413321.2, B-413321.3, Mar. 2, 2017, 2017 CPD ¶ 84 at 2.

¹² While the former executive assistant's last day with the Navy was October 1, 2016, because of accrued leave days, his employment with the Navy did not formally end until January 1, 2017. COS/MOL at 80.

this information in support of Leidos's effort to compete for the NGEN-R SMIT award.

Contracting agencies are to avoid even the appearance of impropriety in government procurements. FAR 3.101-1. Where a firm may have gained an unfair competitive advantage through its hiring of a former government official, the firm can be disqualified from a competition based on the appearance of impropriety that results. *Health Net Fed. Servs., LLC*, B-401652.3, B-401652.5, Nov. 4, 2009, 2009 CPD ¶ 220 at 29. This is true even if no actual impropriety can be shown, so long as the determination of an unfair competitive advantage is based on hard facts and not mere innuendo or suspicion. *Verisys Corp.*, B-413204.5 *et al.*, Oct. 2, 2017, 2017 CPD ¶ 338 at 9. Thus, a person's familiarity with the type of work required, resulting from the person's prior position in the government, is not, by itself, evidence of an unfair competitive advantage. *Dewberry Crawford Grp.; Partner 4 Recovery*, B-415940.11 *et al.*, July 2, 2018, 2018 CPD ¶ 298 at 24-25.

To resolve an allegation of an unfair competitive advantage, our Office typically considers all relevant information, including whether the government employee had access to competitively useful inside information, as well as whether the government employee's activities with the firm were likely to have resulted in a disclosure of such information. *Physician Corp. of Am.*, B-270698 *et al.*, Apr. 10, 1996, 96-1 CPD ¶ 198 at 4-5. Whether the appearance of impropriety based on an alleged unfair competitive advantage exists depends on the circumstances in each case, and, ultimately, the responsibility for determining whether to continue to allow an offeror to compete in the face of such an alleged impropriety is a matter for the contracting agency, which we will not disturb unless it is shown to be unreasonable. *Unisys Corp.*, B-403054.2, Feb. 8, 2011, 2011 CPD ¶ 61 at 5.

Here, we find that the agency reasonably concluded that Leidos did not gain an unfair competitive advantage from its hiring of the former NAVWAR official in question. In this regard, we note that after Perspecta raised this protest challenge, the contracting officer conducted an extensive investigation to determine if the former official had access to competitively useful inside information while he was at NAVWAR. For instance, the contracting officer interviewed key government employees involved in the NGEN-R procurement, including: (1) the previous contracting officer for the NGEN-R procurement; (2) the unofficial lead for the NGEN-R procurement from October 2016 through February 2020; and (3) the former program manager for NGEN-R from January 2017 through the release of the RFP in October 2018. AR, Tab 98, Contracting Officer Investigation Memorandum (Memo.) at 3, 20.

These employees confirmed, and verified by checking their emails,¹³ that neither the former official nor the NAVWAR commander had been sent acquisition planning or strategy documents, had access to restricted share drives containing NGEN-R planning documents, or had access to contracting databases containing Perspecta NGEN

¹³ The former program manager for NGEN-R was unable to check his emails since he lost access to them upon leaving the Navy.

contract performance data. *Id.* at 20, 21, & 24; AR, Tab 98, Contracting Officer Investigation Memo. attach. D, Decl. of NGEN-R Lead at 2-3; AR, Tab 98, Contracting Officer Investigation Memo. attach. E, Decl. of Former Contracting Officer at 1-2. The agency explained this lack of access as being the result of a division in NAVWAR's internal organization. In particular, the positions of both the former official and the NAVWAR commander came under the NAVWAR systems command office, which is a separate chain of command, with different areas of responsibility, than the program executive office, which is tasked with program planning and execution. COS/MOL at 74-76. For this reason, neither individual was involved within the acquisition team's chain of command, and the NAVWAR commander's involvement was instead "primarily for situational awareness regarding where the direction the NGEN-R acquisition was headed and whether there were any delays." Decl. of NGEN-R Lead at 1-2.

In addition to contacting these personnel, the contracting officer contacted the former official at issue, who confirmed his lack of involvement in the NGEN-R procurement and lack of access to acquisition strategy and contractor performance data. Contracting Officer Investigation Memo. at 4. The contracting officer also reviewed the former official's responses to the Navy's post government employment questionnaire and verified that the former official had followed the agency's post government employment policies and procedures. *Id.* at 12, 22. Further, the contracting officer reviewed relevant NGEN-R acquisition planning and strategy documents, and the applicable timeline for the agency's NGEN-R procurement to confirm relevant details. *Id.* at 20.

Perspecta argues that the contracting officer's investigation was inadequate because the former official had access to the NAVWAR commander's emails, and the agency did not investigate what documents and emails the NAVWAR commander received relating to NGEN-R acquisition planning and contractor performance. The protester contends that the agency instead relied upon the former official's "say-so," as to the documents to which he had access. Perspecta Comments at 18.

We do not agree with this characterization of the investigation. Instead, we find that the contracting officer conducted a thorough investigation that included interviewing the key government employees tasked with NGEN-R acquisition planning and monitoring contractor performance about their correspondence and contacts with both the former official and the NAVWAR commander. In addition, as part of that investigation, these individuals reviewed their emails to confirm that they had not sent competitively useful information to either the NAVWAR commander or the former executive assistant. See Decl. of NGEN-R Lead at 2-3; Decl. of Former Contracting Officer at 1-2. In short, the contracting officer did not just rely on the representations of Leidos's program manager.

Perspecta also contends that the former official had "[u]nfettered [a]ccess" to the NAVWAR commander's email account and thus had access to competitively useful information about Perspecta that matched that of the NAVWAR commander. Perspecta Comments at 8. The protester asserts that the former official thereby had access to "any and all Perspecta proprietary performance approaches, rates, and performance reviews." *Id.* at 9. We find, however, that the agency has reasonably explained that the

NAVWAR commander was in a separate chain of command than the program executive office. As a result, the NAVWAR commander was not within the acquisition planning reporting chain and was not advised on matters of contract administration “at the granular level required to make such information competitively useful.” COS/MOL at 78.

In addition, we note that the scope of the acquisition has radically changed in the time period since the former official left the Navy. For example, the contract type changed from a fixed-price contract to a contract that includes fixed-price, fixed-price-incentive-fee, and cost-reimbursable line items. AR, Tab 98, Contracting Officer Investigation Memo. at 6. In that time, the estimated contract value has more than doubled. *Id.* Accordingly, even assuming for the sake of argument that the former official did have access to acquisition planning documents, these documents would have been of limited competitive use given the scale of subsequent changes.

The protester further notes that it corresponded with the former official and the NAVWAR commander regarding NGEN performance matters, which Perspecta cites as evidence of the former official’s access to competitively sensitive NGEN contract performance information. In support of this point, the protester attaches various emails relating to Perspecta’s NGEN performance on which the former official and/or the NAVWAR commander were copied. For example, on August 7, 2014, the former official was copied on an email with an update on NGEN transition efforts. See Perspecta Comments, Exh. 56. As another example, the former official was copied on an August 14, 2015 email relating to design/build efforts for the Navy Enterprise Data Center Bremerton. See Perspecta Comments, Exh. 57, Email dated Aug. 14, 2015. In addition, in February 2016, the NAVWAR commander was sent an email discussing Perspecta’s concerns with FAR part 15 contracts, due to their imposition of specific subcontract flow-down requirements. See Perspecta Comments, Exh. 55, Email dated Feb. 14, 2016. This email contained a high-level discussion of the costs associated with cost contracts relative to fixed-price contracts, including discussion of administrative and overhead costs, but no specific rates were provided. See *id.* at 2.

While the protester asserts that the information contained in these various emails was competitively sensitive, non-public information, it has failed to explain substantively how it was of competitive use on the NGEN-R SMIT procurement. We note that the emails sent to the former official were sent 4-5 years before the submission of final proposals in this procurement and 3-4 years before the agency approved a final acquisition strategy. In addition, we note that the former official lost access to these emails as of January 2017, when he left the Navy. See Contracting Officer Investigation Memo. at 22. While one of the emails sent to the NAVWAR commander did mention costs, it did not provide any specific rate information. See Perspecta Comments, Exh. 55, Email dated Feb. 14, 2015. In the absence of a robust explanation as to how this information would be of use to a competitor competing years later on the substantially changed NGEN-R requirement, we find that the protester has not provided the hard facts needed to support an allegation that the awardee gained an unfair competitive advantage from the hiring of a former government employee.

OCI from the Acquisition of Leidos's Subcontractor

The protester also argues that Leidos was tainted by an OCI arising from Science Applications International Corporation's (SAIC) acquisition of Leidos's proposed subcontractor, Unisys Corporation (Unisys), an acquisition that was announced the day after the NGEN-R SMIT award was made. The protester notes that "\$1.2 billion transactions do not happen overnight" and asserts that it is "quite possible that SAIC and Unisys began talks, and thus became aligned for OCI purposes prior to proposal submission, or shortly thereafter." *Perspecta Comments* at 24. Because of this alleged alignment, the protester contends that an OCI attributable to SAIC should have been imputed to Leidos.

The protester contends that the OCI in question arises from SAIC's oversight of a SeaPort-e task order performed for the NAVWAR 5.0 engineering competency, under which NGEN procurement documents were drafted for the purposes of making recommendations about the goals and terms of the NGEN SMIT solicitation.¹⁴ While the contracting officer investigated this concern, the protester contends that this investigation was inadequate. In particular, *Perspecta* asserts that the contracting officer did not examine whether an alignment of interests arose before the Unisys acquisition was announced and also unreasonably assumed that an SAIC mitigation plan remained in effect.

The agency presented a detailed defense of its actions in its initial agency report, but subsequent to the submission of that report, the agency also executed a waiver of any residual OCI that Leidos might have. *Req. for Dismissal*, June 5, 2020, encl. 1, OCI Waiver. In response to the waiver, *Perspecta* filed a supplemental protest arguing that the waiver was inconsistent with the record because it was predicated on a request submitted by the contracting officer that was both factually inaccurate and incomplete.

Waivers of OCIs must be consistent with the provisions of FAR 9.503 and reasonably supported by the record. *Concurrent Techs. Corp.*, B-412795.2, B-412795.3, Jan. 17, 2017, 2017 CPD ¶ 25 at 8. While our Office will review an agency's execution of an OCI waiver, our review is limited to consideration of whether the waiver complies with the requirements of the FAR, that is, whether it is in writing, sets forth the extent of the conflict, and is approved by the appropriate individual within the agency. *Dell Servs. Fed. Gov't, Inc.*, B-414461.6, Oct. 12, 2018, 2018 CPD ¶ 374 at 6.

Here, we find that the agency's waiver determination was set forth in writing, was approved by the agency's head of contracting authority, and set forth the extent of the conflict by detailing *Perspecta's* allegations as well as the contracting officer's investigation of those assertions. See *Req. for Dismissal*, June 5, 2020, encl. 1, OCI Waiver.

¹⁴ SeaPort-e is a Navy multiple-award IDIQ under which the Navy issued SeaPort Task Order N00039-18-F-3003 to SAIC under the basic SeaPort contract No. N00178-04-D-4119.

Perspecta argues, however, that the waiver determination was flawed because it was predicated on a flawed waiver request that the contracting officer prepared. In this regard, the protester contends that the request relied on the contracting officer's inadequate investigation into the OCI and unjustified conclusions about SAIC's mitigation plan. Based on our review of the record, however, we find that the agency reasonably examined the allegations made by Perspecta and concluded that the concerns were not significant and did not warrant incurring the harm that would arise from further delays to the procurement. *See id.* at 2-3.

While the protester argues that the agency was wrong to conclude that the OCI was not significant, we note that the protester's OCI allegations rely mainly on inference rather than the hard facts needed to support an OCI determination. For example, the protester asserts that it is "quite possible" that SAIC began acquisition talks with Unisys before the submission of final proposal revisions, and also speculates that, during this time period, SAIC shared competitively useful information about the SeaPort-e task order with Unisys. Perspecta Comments at 24. We find these assertions to be insufficient to meet the protester's burden of providing the hard facts needed to support a potential OCI determination.

The protester also argues that the agency failed to consider whether SAIC had followed a mitigation plan it had proposed to address this potential OCI. In this respect, the mitigation plan committed SAIC to have its subcontractor, [DELETED], perform any work under the SeaPort-e task order relating to the NGEN-R solicitation and to firewall SAIC from having any "involvement [or] access to or knowledge of systems engineering reports, deliverables, or any other technical or operational aspect that [DELETED] is performing." AR, Tab 98, Contracting Officer Investigation Memo. attach. A, 2018 Memo. for the Record at 2. The protester contends that this mitigation plan may have been abandoned, since it was proposed as part of an SAIC effort to team with another offeror, General Dynamics Information Technology, Inc., which never came to fruition. The protester asserts that the agency failed to investigate this possibility.

We find, however, that the agency reasonably investigated this matter and concluded that "SAIC did not have a "significant potential conflict" and, in any event, any conflict was adequately mitigated." Contracting Officer Investigation Memo. at 18. In this respect, the contracting officer examined the work done under the SeaPort-e task order, and concluded that the only work that had a connection to the NGEN-R procurement was work performed by [DELETED] in drafting a "NGEN Transformation Recommended Design Guidance" document. *Id.* at 9 & 15. This design guidance document was completed in September 2018 (one month after the OCI mitigation plan was signed), but was not used for planning purposes and did not affect the development of any NGEN-R SMIT source selection documents. *Id.* at 10. Because this document was not used in this way, we find no support for the protester's assertion that the work performed under

the SeaPort-e task order could have led to the creation of an unfair competitive advantage vis-à-vis the instant procurement.¹⁵

Moreover, we note that the contracting officer did not just assume that SAIC had continued to follow its mitigation plan. Instead, the contracting officer interviewed both the contracting officer representative (COR) for the task order and the unofficial lead for the NGEN-R procurement, and both individuals confirmed that SAIC did not perform NGEN-R related efforts under the task order. *Id.* at 9. Perspecta argues, however, that the COR was the wrong person to ask, because she “has no responsibility or basis to track SAIC’s compliance with a mitigation plan that does not pertain to the task orders for which [she] is responsible.” Perspecta Supp. Comments at 9. This argument overlooks the fact that the COR, in addition to being the individual designated by FAR 1.604 to assist in the technical monitoring of the task order in question, was a signatory to the OCI mitigation plan. 2018 OCI Mitigation Plan at 8. In light of these roles, we find it reasonable that the contracting officer contacted the COR as part of the investigation and relied, in part, on her knowledge of SAIC’s performance under the task order.

In addition, the contracting officer contacted the technical point of contact for the task order, who confirmed that, to his knowledge, all deliverables associated with the design guidance document were provided by [DELETED], and were not passed to any SAIC personnel. Contracting Officer Investigation Memo. at 10. The protester argues that “nothing in the record indicates [that the technical point of contact] had any way to know what was shared with SAIC one way or the other.” Perspecta Supp. Comments at 7. We find, however, that it was reasonable for the contracting officer to contact the individual designated to receive the deliverables in question to inquire if those deliverables had been provided to SAIC.

Ultimately, we find that the contracting officer’s investigation of this issue was reasonable, particularly in light of the absence of any hard facts supporting Perspecta’s conjecture that SAIC gained access to competitively useful information. While the protester asserts that the contracting officer should have taken even further measures to investigate these assertions, we conclude that the steps taken by the agency were reasonable.

In sum, we find that the agency’s waiver of the potential OCI at issue was consistent with the record, and accurately set forth the extent of the potential OCI. We therefore deny this protest ground.

¹⁵ In its comments on the supplemental agency report, Perspecta surmises that SAIC might have gained access to nonpublic information beyond the final work product, *i.e.*, during the effort to prepare the document. See Perspecta Suppl. Comments at 8. We see no factual basis to credit this speculative assertion, however; nor does Perspecta provide one.

Technical Approach and Management Approach Evaluations

As noted above, Perspecta’s proposal received marginal and acceptable ratings for the two technical approach subfactors, and good, marginal, and acceptable ratings for the four management approach subfactors. The number of strengths, significant weaknesses, and weaknesses assigned to Perspecta’s proposal under the various subfactors was as follows:¹⁶

Subfactor	Strengths	Significant Weaknesses	Weaknesses
1.1: Systems Engineering	4	2	7
1.2: Network Transformation/Modernization Sample Exercise	7	0	4
2.1: Program Management Plan	3	0	0
2.2: Network Operations	2	2	2
2.3: Tools Management and Data Access	3	1	2
2.4: Supply Chain Risk Management	0	0	0
Totals	19	5	15

Final SSEB Report at 12, 103, 113, 121, 124, 133, 139.

In its initial protest, Perspecta challenged every finding of significant weakness and weakness. It challenged some on the basis they were the product of inadequate/misleading discussions; some on the basis they were unreasonable and inconsistent with the terms of the RFP; and some on both bases. The protester also argued that the agency should have assigned its proposal several additional strengths. The agency responded to all of the protester’s arguments in its report, and Perspecta did not address the agency’s arguments regarding additional strengths in its comments. As a result, we consider the protester to have effectively abandoning these arguments and

¹⁶ Although the agency did not provide contemporaneous documentation pertaining to the evaluation of Leidos’s proposal as part of the record here, the agency and Leidos, the intervenor, represent in their pleadings that Leidos’s proposal was assigned the following number of strengths and weaknesses under the various subfactors: 1.1: systems engineering--14 strengths/2 weaknesses; 1.2: network transformation/modernization sample exercise--15 strengths; 2.1: program management plan--8 strengths; 2.2: network operations--17 strengths/1 weakness; 2.3: tools management and data access--11 strengths; and 2.4: supply chain risk management--1 strength. Leidos Comments at 25; COS/MOL at 283. The evaluators did not assign Leidos’s proposal any significant weaknesses.

dismiss them.¹⁷ The protester also failed to address some of the agency's arguments regarding weaknesses and one significant weakness. We have reviewed the record pertaining to the remaining significant weaknesses and weaknesses, and, based on our review, find no basis to sustain the protest. We discuss the protester's arguments in greater detail and address some representative examples below.

At the outset, we further note that it is clear from the record here that even assuming for the sake of argument that all of the protester's complaints pertaining to the weaknesses in its proposal had merit, the protester's proposal would still be lower rated than Leidos's proposal under virtually every technical and management approach subfactor. As noted above, a rating of outstanding was to be assigned only where the number of strengths in a proposal significantly outweighed the number of weaknesses, and elimination of all of weaknesses from the protester's proposal would leave 4 strengths under the first technical approach subfactor, 7 strengths under the second technical approach subfactor, and no more than 3 strengths under any management approach subfactor. In contrast, Leidos's proposal was rated as outstanding under 5 of the 6 technical and management approach subfactors, with at least 8 strengths under each.

Misleading Discussions

Perspecta argues the Navy failed to conduct meaningful discussions under the technical and management approach evaluation factors. According to the protester, all 5 of the significant weaknesses, and 10 of the 15 weaknesses assigned to its proposal under these factors directly stemmed from the agency's failure to conduct meaningful discussions. Protest at 65. Perspecta contends that the Navy's failure to raise all weaknesses evident in its initial proposal misled Perspecta into maintaining weaknesses from its initial proposal and prevented it from receiving additional strengths. Protest at 65-86. The Navy responds that it extensively documented its concerns such that Perspecta was able to improve its final proposal. COS/MOL at 128-134. The agency also responds that providing too much detail to an offeror during discussions is counterproductive to assessing whether an offeror has the necessary technical understanding to complete the contract. *Id.* at 129, 133. The record here shows that the agency generally conducted meaningful discussions.

When an agency engages in discussions with an offeror, the discussions must be meaningful and enhance the offeror's potential for receiving the award. FAR 15.306(d); *InfoPro, Inc.*, B-408642.2, B-408642.3, Dec. 23, 2014, 2015 CPD ¶ 59 at 6. Agencies have broad discretion to determine the content and extent of discussions, and we limit our review of the agency's judgments in this area to a determination of whether they are reasonable. *Id.* The requirement that discussions be meaningful, however, does not obligate an agency to spoon-feed an offeror or to discuss every area where the proposal could be improved. FAR 15.306(d)(3); *Insignia-Spectrum, LLC*, B-406963.2,

¹⁷ *McConnell Jones Lanier & Murphy, LLP*, B-409681.3, B-409681.4, Oct. 21, 2015, 2015 CPD ¶ 341 at 9 n.8 (dismissing as abandoned protest grounds not addressed in protester's comments on the agency report).

Sept. 19, 2012, 2012 CPD ¶ 304 at 5. The degree of specificity required in conducting discussions is not constant and is primarily a matter for the procuring agency to determine. *Kathpal Techs., Inc.*, B-291637.2, Apr. 10, 2003, 2003 CPD ¶ 69 at 3. This is particularly true where, as here, one aspect of the evaluation is to test the offeror's technical understanding. *ITT Indus. Space Sys.*, B-309964, Nov. 9, 2007, 2007 CPD ¶ 217 at 12.

Moreover, agencies are not required to reopen discussions to afford an offeror an additional opportunity to revise its proposal where a weakness or deficiency is first introduced in the firm's revised proposal. *Research Analysis & Maint., Inc.*, B-410570.6, B-410570.7, July 22, 2015, 2015 CPD ¶ 239 at 10; *OMNIPLEX World Servs. Corp.*, B-406251, B-406251.2, Mar. 14, 2012, 2012 CPD ¶ 113 at 6-7.

By way of example, the Navy assessed Perspecta's FPR a significant weakness under subfactor 1.1: systems engineering, based on the evaluators' finding that Perspecta's decision to use [DELETED] instead of the XML/XMI standard specified in the solicitation demonstrated a lack of understanding of the solicitation's requirement to use Model Based Systems Engineering (MBSE).¹⁸ Protest at 69-71. Perspecta argues that the agency failed to notify it of concerns related to using [DELETED], and that Perspecta's initial proposal referenced [DELETED]. *Id.* at 70-71. Had the Navy conducted meaningful discussions, the protester argues, the company would have amplified its description of [DELETED] and its relationship with the required XML/XMI standard. *Id.*

Here, the record establishes that the agency reasonably advised Perspecta of its concerns related to Perspecta's systems engineering approach. The Navy required offerors to use MBSE to create the Naval Enterprise Networks (NEN) system model, which was to be the "single source of truth."¹⁹ AR, Tab 92, NEN SEP at 78; AR, Tab 93, SPAWARINST 5401.6 at 2. In its initial proposal, the protester planned to [DELETED]. Perspecta Technical EN, Tab SF1.1 at No. P1.11-3. The SSEB assigned Perspecta's proposal a deficiency because its systems engineering approach was not compliant with the government's systems engineering plan requirements. The agency notified Perspecta of this deficiency during discussions. *Id.* In response, Perspecta rewrote its submission for this subfactor and radically changed its systems engineering approach. Rather than [DELETED], Perspecta proposed a new approach using [DELETED], which would be the foundation for building the NEN system model and its integrated tools. AR Exh. 49, Perspecta FPR at V1.1.i-3.

¹⁸ MBSE is a systems engineering design approach that focuses on creating and exploiting domain models as the primary means of information exchange between engineers, rather than on document-based information exchange. [DELETED] The SSEB report explains that "XMI is an XML-based industry open standard to ensure architecture data files can be federated across Modeling and Simulation tools." Final SSEB Report at 111.

¹⁹ In systems engineering a "single source of truth" is the practice of structuring models and associated data such that every data element is edited in only one place.

On this record, we find no basis to question the agency's discussions. The Navy adequately informed Perspecta of its concerns regarding Perspecta's systems engineering approach and the government's modeling requirements. Although the protester's FPR addressed the deficiency identified in its initial proposal, the revisions also introduced a new significant weakness. The Navy was under no obligation to reopen discussions to address this matter. See, e.g., *Research Analysis & Maint., Inc.*, *supra*.

Unreasonable Evaluation

Perspecta also challenges all but one of the agency's findings of significant weakness and weakness on the basis that the agency's evaluation is unreasonable, applies unstated evaluation criteria, or is based upon latent ambiguities in the solicitation.²⁰

It is well-established that the evaluation of proposals is a matter within the discretion of the contracting agency. *Vectrus Sys. Corp.*, B-412581.3 *et al.*, Dec. 21, 2016, 2017 CPD ¶ 10 at 3. An offeror's disagreement with an agency's judgment, without more, is insufficient to establish that the agency acted unreasonably. *Id.* In reviewing an agency's evaluation, we will not substitute our judgment for that of the agency, but instead will examine the agency's evaluation to ensure that it was reasonable and consistent with the solicitation's evaluation criteria and with procurement statutes and regulations. *MicroTechnologies, LLC*, B-413091, B-413091.2, Aug. 11, 2016, 2016 CPD ¶ 219 at 4-5.

Moreover, our Office has long recognized that, as a general matter, it is an offeror's responsibility to submit an adequately written proposal with sufficient information for the agency to evaluate and determine compliance with the solicitation's requirements. *PEAKE*, B-417744, Oct. 11, 2019, 2019 CPD ¶ 359 at 4. An offeror that does not affirmatively demonstrate the merits of its proposal risks rejection of its proposal or risks that its proposal will be evaluated unfavorably where it fails to do so. *PAE Aviation & Tech. Servs., LLC*, B-417639, Sept. 11, 2019, 2019 CPD ¶317 at 6.

With regard to the role of the agency, our Office has consistently stated that in evaluating a proposal, an agency is under no obligation "to decipher a poorly organized proposal," *Shumaker Trucking and Excavating Contractors, Inc.*, B-290732, Sept. 25, 2002, 2002 CPD ¶ 169 at 5, or to reach favorable conclusions regarding the merits of a proposal or the compliance of the proposal with a solicitation's requirements where the information supporting such conclusions is "not readily apparent," *DATEX, Inc.*, B-270268.2, Apr. 15, 1996, 96-1 CPD ¶ 240 at 6. Nor is an agency required to "deduce[]" that a proposal meets certain requirements where the proposal lacks the level of detail the RFP requires, *SOS Interpreting, Ltd.*, B-287505, June 12, 2001, 2001

²⁰ The protester challenges all significant weaknesses and weaknesses assigned to its proposal except for one weakness under subfactor 1.2, network transformation/modernization sample exercise.

CPD ¶ 104 at 11-12, or accept a proposal that the agency finds is unclear or ambiguous regarding its merits or compliance with the solicitation's requirements. *Ace Info. Sols. Inc.*, B-295450.2, Mar. 7, 2005, 2005 CPD ¶ 75 at 7.

For example, as noted above, the protester argues that the Navy improperly assigned its proposal a significant weakness under subfactor 1.1, systems engineering because the agency unreasonably determined Perspecta did not understand the government's systems engineering plan requirements and imposed unstated evaluation criteria. Protest 100-103. Perspecta contends that its proposed use of [DELETED] meets the requirement to use a MBSE approach. *Id.* at 101. Perspecta asserts that [DELETED]. *Id.* The protester argues that its proposal clearly described [DELETED]. *Id.* at 102. Perspecta also complains that the requirements do not exclude the [DELETED]--"[the government] maintains a desire to stay tool agnostic in architecture development efforts"--so that the government imposed unstated evaluation criteria when it assigned a significant weakness to Perspecta's proposal for proposing to use [DELETED]. *Id.* at 102 (citing SPAWAR Architecture Data Guide §§ 2.3 & 2.4).

The solicitation included several underlying documents which set forth instructions and requirements for performing this contract. The government's systems engineering plan required offerors to use MBSE to create the NEN system model. AR, Tab 92, NEN SEP at 78. In doing so, and to maximize data interoperability throughout the government enterprise and ensure that the architecture data conformed to the government policy, offerors were required to adhere to the following standards:

- eXtensible Markup Language (XML) Metadata Interchange (XMI) Standard
- SPAWAR [Enterprise Architecture (EA)] integrated dictionary (ID)²¹
- SPAWAR architecture data guide (ADG).

SPAWARINST 5401.6 encl. 2 at 1. Thus, offerors were required to use XML/XMI standards and EA ID in their proposed MBSE approach.

In accordance with the evaluation criteria requiring offerors to demonstrate their understanding of the government's systems engineering plan, the Navy determined that Perspecta's proposed use of [DELETED], instead of the XML/XMI standards and EA ID specified in the requirements, merited a significant weakness. Final SSEB Report at 111; RFP § M-3(b)(1)(i)(a). The Navy determined that Perspecta would create interoperability and reusability issues across the government enterprise and increase the risk of unsuccessful contract performance from incompatible tools, data files, and MBSE model elements by proposing to use [DELETED] as the foundation for building the NEN system model. *Id.* at 111-12. The SSEB found that Perspecta's proposed approach

²¹ The SSEB describes the SPAWAR EA ID as the agency's "authoritative source of architecture data element nomenclature and definitions, which includes schema, ontology, and reference models, to provide standardization across all engineering and architecture efforts." Final SSEB Report at 111.

demonstrated that Perspecta did not understand the government's requirements and "would result in ineffective and inefficient systems engineering during contract performance." *Id.* at 112.

Here, the record demonstrates that the agency's evaluation is reasonable. Perspecta proposed to [DELETED] rather than the XML/XMI standards and SPAWAR EA ID specified in the solicitation. Perspecta's proposal described the benefits of using [DELETED] but did not explain how it would work with the government's requirement for the systems engineering plan for maximum data interoperability or conformed architecture data. In simple terms, the SSEB determined that Perspecta's proposal merited a significant weakness because Perspecta proposed a set of tools that would result in different methods of communication and different interdependencies than those required by the government's systems engineering plan.

Although the protester plainly disagrees with the agency's determination, based upon our review of the record, we have no basis to question the reasonableness of the agency's evaluation. In its protest, Perspecta explains that [DELETED]. Protest at 101. This explanation, however, is not part of Perspecta's proposal. It is the protester's obligation to submit proposals with adequately detailed information in such a manner as to allow for a meaningful review by the agency. *PEAKE, supra*. Since an agency's evaluation is dependent upon the information furnished in a proposal, explanations protesters make in their submissions to our Office do not render the agency's determinations, made during the evaluation process based upon the proposals submitted by the protesters, unreasonable. *GEC-Marconi Elec. Sys., Corp.*, B-276186; B-276186.2, May 21, 1997, 97-2 CPD ¶ 23 at 7.

With respect to the protester's claim that the Navy applied unstated evaluation criteria, we disagree. The solicitation clearly states that the MBSE tools must comply with government policy to maximize data interoperability throughout the government enterprise, and to ensure that the architecture data conforms, the Navy expressly requires the use of the "eXtensible Markup Language (XML) Metadata Interchange (XMI) Standard." NEN SEP at 78; SPAWARINST 5401.6 encl. 2 at 1. The SSEB reasonably assigned the protester's proposal a significant weakness for not adhering to the agency's requirements. Furthermore, we are not persuaded that the agency's general "desire to stay tool agnostic in architecture development efforts" means that the agency did not mandate the use of specific standards like XML/XMI, where the agency set forth specific standards in its requirements. On this record, we conclude that the agency did not apply unstated evaluation criteria when assigning Perspecta's proposal a significant weakness.

In another example, Perspecta argues that the agency unreasonably assigned its proposal a weakness under subfactor 1.2: network transformation/modernization (NTM) sample exercise, for its proposed notional timeline. Protest at 108-110. The protester's proposed schedule required [DELETED] and the Navy determined that this created an

unreasonable schedule that would lead to delays and additional costs.²² Final SSEB Report at 119. Perspecta contends this evaluation is unreasonable because the NTM schedule is only for proposal evaluation purposes and contingent upon performance beginning on [DELETED]. Protest at 109. According to the protester, any delay in the award date would result in a shift in the schedule; the schedule could be easily modified upon award [DELETED]. *Id.*

We conclude that the agency's evaluation was reasonable. As part of this sample exercise, offerors were required to demonstrate "[a] reasonable schedule that addresses . . . [g]overnment interdependencies and activities." RFP § M-3(b)(2)(i)(f). The evaluators determined that a schedule requiring [DELETED], would lead to delays. Final SSEB Report at 119. Regardless of whether it would be easy to modify the schedule after award, the proposed schedule indicates a lack of attention to detail that merited a weakness. Perspecta's disagreement with the agency's judgment, without more, is insufficient to establish that the agency acted unreasonably. *Vectrus Sys. Corp., supra.*

In sum, the record establishes that Perspecta's proposal repeatedly failed to demonstrate in a way agency evaluators could understand that the firm was able to meet the solicitation's requirements. Perspecta's protest provides numerous explanations as to how its proposal meets the Navy's requirements but Perspecta's proposal did not clearly communicate these capabilities. Based on our review, we find that the agency's assignment of significant weaknesses and weaknesses to Perspecta's proposal was generally reasonable. Moreover, as we noted at the outset, Leidos's proposal would remain higher rated than the protester's under virtually every technical and management subfactor even in the event every significant weakness and weakness in the protester's proposal were eliminated, and thus to the extent there were errors in the agency's evaluation, they did not result in competitive prejudice to the protester.²³ In sum, we deny the protester's arguments regarding the agency's assessment of significant weaknesses and weaknesses in the protester's proposal.

Price Realism

Perspecta also challenges the adequacy of the agency's price realism evaluation for the "Labor Rate Card and Material Discount" section of the price/cost proposal.²⁴ Protest at 42. Specifically, the protester alleges that in evaluating the realism of offerors'

²² Perspecta's proposed schedule [DELETED]. Final SSEB Report at 119.

²³ As discussed below, competitive prejudice is an essential element of every viable protest. *Armorworks Enters., LLC*, B-400394.3, Mar. 31, 2009, 2009 CPD ¶ 79 at 3 (denying protest where protester fails to demonstrate that, but for the agency's actions, it would have had a substantial chance of receiving the award).

²⁴ Offerors were to insert labor rates for 134 individual labor categories on a template the solicitation calls the "labor rate card." RFP attach. J-13.

proposed labor rates, the Navy relied upon a flawed statistical methodology to determine whether proposed rates were outliers and too low.²⁵ Protest at 43-50; Comments at 29-40. The protester also alleges that the agency did not conduct any independent analysis of the labor rate ranges to determine whether the rates were unrealistic. Protest at 46-50. While, as discussed below, we find that the agency's methodology for identifying outlier labor rates was flawed, the record fails to show that the flawed methodology resulted in an unreasonable assessment as to the realism of Leidos's proposed labor rates; as a result, we deny this protest ground.

Where an RFP contemplates the award of a fixed-price contract or a contract with fixed-price line items, price realism is not ordinarily considered, since a fixed-price contract places the risk and responsibility for costs and resulting profit or loss on the contractor. *Phacil Inc.*, B-406628, July 5, 2012, 2012 CPD ¶ 202 at 4. However, an agency may, as it did in the solicitation here, provide for the use of a price realism analysis for the limited purpose of assessing technical understanding or risk. FAR 15.404-1(d)(3); *M7 Aerospace, LLC*, B-415252.4, B-415252.5, Nov. 9, 2018, 2018 CPD ¶ 387 at 6-7; *BillSmart Sols., LLC*, B-413272.4, B-413272.5, Oct. 23, 2017, 2017 CPD ¶ 325 at 8. The depth of an agency's price realism analysis is a matter within the sound exercise of the agency's discretion, and we will not disturb such an analysis unless it lacks a reasonable basis. *Apogee Eng'g, LLC*, B-414829.2, B-414829.3, Feb. 21, 2019, 2019 CPD ¶ 85 at 8-9; *Grove Resource Sols, Inc.*, B-296228, B-296228.2, July 1, 2005, 2005 CPD ¶ 133 at 4-5.

The RFP here established that proposals would be evaluated for completeness, reasonableness, realism, and unbalanced pricing. RFP § M-3(f). In accordance with FAR 15.404-1(d)(3), the agency would evaluate the fixed-priced contract line item numbers (CLINs) to determine whether the proposed prices were unrealistically low. *Id.* § M-3(f)(iii)(b). For the price realism determination, the Navy would consider whether the proposed prices were realistic for the work to be performed, reflected a clear understanding of contract requirements, and were consistent with the offeror's proposed unique methods, proposed technical approach, and basis of estimate (BOE). *Id.* The RFP provided that the fixed-price CLINs would not be adjusted as a result of the analysis, but that the results might be used in performance risk assessments and responsibility determinations. *Id.* Further, to the extent that the price realism analysis produced findings that prices were unrealistically low, the proposal would not automatically be unawardable but the findings would be considered in the best-value tradeoff decision. *Id.*

Although the RFP did not disclose a particular methodology that the Navy would use to determine price realism, the record demonstrates that the agency evaluators used a variety of analysis techniques to evaluate proposals. The CPEB also received input

²⁵ Perspecta initially challenged the Navy's use of two data points based on the information provided in the debriefing; however, upon receipt of the agency report, Perspecta learned that the agency used three data points. Three data points, Perspecta argues, is still insufficient.

from the SSEB to assess the consistency between the proposed technical approaches and the unpriced BOEs. Final CPEB Report at 7.

The agency analyzed each proposed labor rate by averaging three data points-- Leidos's proposed rate, Perspecta's proposed rate, and the average rate for the labor category under the General Services Administration's (GSA) Alliant 2 contract, as adjusted for inflation.²⁶ The agency then calculated two standard deviations from the statistical mean for each labor category. *Id.* If a rate was within two standard deviations of a given labor category's average, the CPEB considered it realistic. *Id.* The agency analyzed both offerors' rates and determined they were realistic. *Id.* at 8.

Perspecta argues that the Navy's methodology is flawed. The protester contends that the agency's methodology--which relied on 3 data points and 2 standard deviations--resulted in ranges of acceptable labor rates that were so wide as to be meaningless for purposes of assessing price realism. Protest at 46. In support of its argument, the protester points out that for some labor categories, the agency's methodology resulted in a realistic rate range with a floor of less than \$0/hour. For example, the realistic/reasonable range identified by the CPEB for the labor category Asset Management Design Engineer Senior ranged from negative \$4.74 to \$201.62, while the realistic/reasonable range identified for Technology Consultant Senior ranged from negative \$5.76 to \$194.04. *Id.* at 45. The protester further argues that the agency failed to conduct any independent analysis of the rates and mechanically relied upon the application of the formula to the rates in its determination that the rates were realistic. *Id.*

In response, the Navy contends that its price realism methodology, which assumes rates within two standard deviations of the mean are realistic, is consistent with our Office's bid protest decisions, and therefore, reasonable. COS/MOL at 90, 94-95. In support, the agency cites our decision in *First Info. Tech. Servs., Inc.*, B-405602, Dec. 1, 2011, 2011 CPD ¶ 261. The agency argues that even though there are a few labor categories with low price floors that does not mean its evaluation is unreasonable. *Id.* at 95-96.

The agency also argues that even if its methodology for assessing price realism was flawed, Perspecta was not prejudiced. The agency points out that analyzing the labor rates using smaller standard deviations produces similar results. *Id.* at 97-100. The agency explains that if it used a 1.5 standard deviation in its methodology, 100 percent of the labor rates would be within the realistic range and if it used one standard deviation, 89 percent of Leidos's labor rates would be realistic and 74 percent of

²⁶ GSA Alliant 2 is a multiple-award, indefinite-delivery, indefinite-quantity governmentwide acquisition contract for IT services, primarily computer systems design services.

Perspecta's labor rates would be realistic.²⁷ *Id.* at 99. The agency also contends that Perspecta was not harmed because the average rate for all of the protester's categories was \$81.98, whereas, Leidos had an average hourly rate of \$86.22; in other words, Leidos's average labor rate was \$4.24 higher than the protester's rate. *Id.* The agency asserts that the overall data regarding labor rates did not demonstrate that either offeror lacked an understanding of the requirement.

While we agree with the protester that the agency's methodology for identifying outlier labor rates was flawed in that its application resulted in meaningless realistic/reasonable rate ranges for some labor categories, we also agree with the agency that the flawed methodology did not result in competitive prejudice to Perspecta. As noted by the agency, if the analysis had been performed using a standard deviation of 1.5 rather than 2, all of Leidos's labor rates would still have been found realistic, and if a standard deviation of 1 had been used, 89 percent of Leidos's rates (in contrast to 74 percent of Perspecta's) would have been found realistic. Moreover the protester's own calculations show that when Perspecta's total amount for its labor rate card (calculated by multiplying its rates for the various labor categories by the number of hours for those categories) is compared to Leidos's card, the amounts are similar, suggesting that neither offeror's total labor rate card was unrealistically low. See Perspecta Comments, Exh. 59, Affidavit of Protester's Consultant attach. 3-c-1 (showing Perspecta contract year 1 total for the labor rate card, as adjusted for comparison, of \$90,531,846 versus Leidos estimated total of \$89,399,278.). Accordingly, we deny, Perspecta's challenge to the agency's price realism analysis.

Cost Realism Evaluation

Next, Perspecta argues that the Navy's cost realism evaluation was unreasonable and unequal. Specifically, the protester contends that the agency mechanically evaluated the rates in Perspecta's initial proposal for the United States Marine Corps (USMC) base services CLINs by adjusting those rates upwards without considering the substantiating documentation Perspecta provided. Protest at 54-58. The protester contends that the Navy's discussions were misleading, which led the protester to propose higher rates in its FPR, and resulted in Perspecta's proposal being the highest in overall cost/price. Protest at 63-65. Perspecta also alleges that the agency failed to evaluate Leidos's final proposal for the cost-reimbursable CLINs evenhandedly against the solicitation criteria. Protest at 58-60. We have reviewed the record and we find no basis on which to sustain the protest.

When an agency evaluates a proposal for the award of a contract that includes cost-reimbursable CLINs, an offeror's proposed estimated costs are not dispositive because, regardless of the costs proposed, the government is bound to pay the contractor its actual and allowable costs. See FAR 15.305(a)(1), 15.404-1(d); *Palmetto*

²⁷ Using one standard deviation as a metric for unrealistically low prices for all labor categories, Leidos would have 16 unrealistic rates and Perspecta would have 36 unrealistic rates. COS/MOL at 99.

GBA, LLC, B-298962, B-298962.2, Jan. 16, 2007, 2007 CPD ¶ 25 at 7. Consequently, the 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). Our review of an agency's cost realism evaluation is limited to determining whether the cost analysis is reasonably based and not arbitrary. *Jacobs COGEMA, LLC*, B-290125.2, B-290125.3, Dec. 18, 2002, 2003 CPD ¶ 16 at 26.

The RFP instructed offerors to provide documentation substantiating their direct labor rates. AR, Tab 2, RFP amend. 9 § L-4(f)(3)(ii)(d) at 521. After evaluating initial proposals and entering into discussions with offerors, the Navy amended the solicitation to specify six different types of acceptable documentation and advise offerors that if the evaluators determined the substantiating documentation was unacceptable, the labor rates would be adjusted upward. RFP § L-4(f)(3)(vi); *id.* § M-3(f)(iii)(a). The Navy would compare the proposed rates against the government-provided rates in RFP attachment L-6, and proposed rates falling below the 25th percentile would be adjusted upward.²⁸ RFP § M-3(f)(iii)(a).

In its initial evaluation, the CPEB found the protester's rates for the USMC base services CLINs unrealistically low when compared against the government estimates in attachment L-6 and adjusted them upward. Initial CPEB Report at 31. During discussions with Perspecta, the Navy issued evaluation notice No. 173 which stated that Perspecta's labor rates were considered unrealistically low and had been subjected to an upward cost realism adjustment. CPEB EN at No. 173. The CPEB increased the probable cost of the USMC base services CLINs by \$[DELETED], or [DELETED] percent, from the proposed cost of \$[DELETED], to a most probable cost of \$1,584,651,459 (excluding fixed fee). *Id.*

In response to the protester's questions about the upward adjustment of its rates, the agency informed the protester that its rates were evaluated against the 25th percentile of rates from Salary.com. AR, Tab 59, CPEB EN Government Resp. at No. 173. Furthermore, the agency advised the protester that a forthcoming amendment would provide additional information about the cost realism methodology used to evaluate proposals. *Id.* On August 13, 2019, the Navy issued amendment 11 to the solicitation clarifying requirements for direct labor rate substantiating documentation and clarifying its cost realism methodology. Rather than submitting revised substantiating documentation consistent with the terms of amendment 11, the protester elected to increase its labor rates for the USMC base services CLIN.

As an initial matter, we find that the agency's discussions with Perspecta were not misleading. As previously noted, when discussions are conducted, they must be meaningful, and an agency may not mislead an offeror--through the framing of a discussion question or a response to a question--into responding in a manner that does not address the agency's concerns, or misinform the offeror concerning a problem with

²⁸ The government-provided labor rates were the Salary.com labor rates as of January 2019. RFP attach. L-6.

its proposal or about the government's requirements. *McConnell Jones Lanier & Murphy, LLP, supra* at 5–6. While an agency may not, in conducting discussions, coerce an offeror into raising its prices or altering any other aspect of its proposal, *Serco Inc.*, B-407797.3, B-407797.4, Nov. 8, 2013, 2013 CPD ¶ 264 at 5, we will not find coercion in discussions where, as here, an agency in good faith provides accurate information to an offeror and leaves it to the offeror's discretion regarding how to respond. See *EMR, Inc.*, B-406625, July 17, 2012, 2012 CPD ¶ 209 at 4–5.

As described above, the record demonstrates that, during discussions, the agency raised concerns regarding the realism of Perspecta's direct labor rates. Rather than submit revised substantiation documentation, the protester elected to raise its direct labor rates. The agency did not direct Perspecta to change its proposed rates; instead, Perspecta made an independent business decision about how to respond to the agency's discussion concerns. See, e.g., *McConnell Jones Lanier & Murphy, LLP, supra*, at 6 (finding agency's discussions are not coercive merely because an offeror makes an independent business judgment that it later regrets). Based on our review of the record, we find nothing unreasonable or inconsistent regarding the agency's cost realism evaluation.

Perspecta also contends that the Navy treated the offerors unequally by failing to adjust Leidos's rates to a level consistent with the 25th percentile of Salary.com's rates.

Our Bid Protest Regulations require that a protest include a detailed statement of the legal and factual grounds for the protest, and that the grounds stated be legally sufficient. 4 C.F.R. §§ 21.1(c)(4), (f). These requirements contemplate that protesters will provide, at a minimum, either allegations or evidence sufficient, if uncontradicted, to establish the likelihood that the protester will prevail in its claim of improper agency action. *Midwest Tube Fabricators, Inc.*, B-407166, B-407167, Nov. 20, 2012, 2012 CPD ¶ 324 at 3. A protester's speculation about the contents of a competitor's proposal does not provide a sufficient factual basis for a ground of protest, however. *Mark Dunning Indus., Inc., supra*. Here, the protester alleges that the Navy did not evaluate offerors equally because Leidos's rates were lower than the protester's rates, which were based on the government-provided rates. The RFP identified six different types of substantiating documentation that offerors could submit. The protester's mere speculation about the content of Leidos's proposal is not a sufficient factual basis to support its assertion that the agency did not evaluate offerors proposed rates equally, and we dismiss this allegation. *Id.*

Finally, assuming for the sake of argument that the Navy misled Perspecta into raising its proposed rates to a level consistent with the 25th percentile in Salary.com, the record fails to show that the protester suffered any competitive prejudice as a result. In this regard, the record shows that Perspecta's initial proposed cost for the USMC base services CLINs was approximately \$[DELETED] billion and its final proposed cost for the CLINs was approximately \$[DELETED] billion. See COS/MOL at 126-127. At most, Perspecta was misled into raising its proposed cost about \$376 million, whereas the difference in overall evaluated cost/price between the two final proposals was \$526

million, meaning that Perspecta's proposed cost/price would still be approximately \$150 million higher than Leidos's price, for a proposal with significantly lower ratings. Perspecta cannot establish competitive prejudice where it cannot demonstrate that any errors in the agency's cost realism analysis materially impacted Perspecta's competitive position. Consequently, we find no basis on which to sustain the protest.

Past Performance Evaluation

Next, Perspecta argues that the Navy's past performance evaluation was unreasonable and unequal. Protest at 141-155. In particular, the protester contends that the agency improperly limited its evaluation and applied unstated evaluation criteria. *Id.* at 141-147, 149-152. The protester asserts that had the agency considered the entirety of its past performance information and evaluated offerors against a common relevancy standard, it would have received a higher rating. *Id.* at 141-152. Based on our review, we find the agency's evaluation reasonable and consistent with the solicitation.

Our Office will review 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, as determining the relative merit of an offeror's past performance is primarily a matter within the agency's discretion. *Tele-Communication Sys., Inc.*, B-413265, B-413265.2, Sept. 21, 2016, 2016 CPD ¶ 266 at 7; *American Env'tl. Servs., Inc.*, B-406952.2, B-406952.3, Oct. 11, 2012, 2013 CPD ¶ 90 at 5. The evaluation of past performance, by its very nature, is subjective, and we will not substitute our judgment for reasonably-based evaluation ratings; an offeror's disagreement with an agency's evaluation, by itself, does not demonstrate that those judgments are unreasonable. *Cape Env'tl. Mgmt., Inc.*, B-412046.4, B-412046.5, May 9, 2016, 2016 CPD ¶ 128 at 8.

In a negotiated procurement, an agency must evaluate proposals based on the solicitation's enumerated evaluation factors. FAR 15.305(a); *DA Def. Logistics HQ*, B-411153.3, Dec. 2, 2015, 2015 CPD ¶ 358 at 4. An agency may properly apply evaluation considerations that are not expressly identified in the RFP if those considerations are reasonably and logically encompassed within the stated evaluation criteria and there is a clear nexus linking them. *SupplyCore, Inc.*, B-411648.2, B-411648.3, Feb. 21, 2017, 2017 CPD ¶ 72 at 9.

Here, the solicitation instructed offers to identify between three and five previous and/or on-going contracts performed by the offeror and each of its major subcontractors during the last five years. RFP § L-4(d)(iii). The solicitation required that these contract references reflect similar work scope to the solicitation efforts here and limited offerors to five pages for each reference. *Id.*; *id.* § L-3 at 517. The RFP advised offerors to submit clear, concise proposals that "included sufficient detail for effective evaluation for substantiating the validity of stated claims." *Id.* § L-2(c).

The solicitation provided that the past performance evaluation would result in "an assessment of the degree of confidence the [g]overnment has in the [o]fferor's ability to

meet the requirements of this solicitation based on a demonstrated record of performance.” *Id.* § M-3(d)(i). The evaluation would include assessment of the recency, relevancy, and record of performance of the submitted contract reference. *Id.*; *see also id.* § M-2.3(a). Per FAR 15.305(a)(2), the agency would consider the currency and relevance of the information, source of the information, context of the data, and general trends in the contractor’s performance in the agency’s confidence assessment. *Id.* The solicitation defined relevancy as “a measure of the extent of similarity between the service/support effort, complexity, dollar value, contract type, and subcontract/teaming or other comparable attributes of past performance examples and the source solicitation requirements; and a measure of the likelihood that the past performance is an indicator of future performance.” *Id.* § M-2.1(a)(3). The RFP notified offerors that the government reserved the right to use information from other sources, as well as the information provided in the offeror’s past performance volume. *Id.* § M-3(d)(ii).

The SSEB assessed the relevancy of each submission against the PWS, concentrating on section 3, scope, which detailed the services to be delivered. Final SSEB Report at 141. The relevancy assessments focused on the degree of similarity between the scope of services defined in PWS section 3 and each identified contract.²⁹ *Id.*

Perspecta submitted 10 contract references; the agency determined that one contract--the predecessor NGEN contract--was very relevant. *Id.* The protester’s other references were determined to be somewhat relevant based on comparison of the scope of the effort to the scope and magnitude of effort and complexities required by the solicitation here. *Id.*

With regard to Perspecta’s record of performance, the SSEB found Perspecta received mixed past performance ratings and reviews in its Contractor Performance Assessment Reporting System (CPARS) and Award Fee reports. *Id.* at 163. Both of Perspecta’s major subcontractors received generally positive performance ratings but their contracts were rated somewhat relevant. *Id.* Moreover, under the very relevant contract, there were many areas of concern and a recent downward trend in performance, which did not provide the government with a high level of confidence that Perspecta would be able to perform the required effort successfully. *Id.* at 163-165. Nevertheless, the SSEB concluded that it had “satisfactory confidence” and a reasonable expectation that Perspecta would successfully perform these requirements. Final SSEB Report at 165.

As an initial matter, Perspecta argues that the Navy failed to evaluate offerors equally because it did not apply the same relevancy standard when evaluating Leidos’s past performance. Protest at 147-149. The protester contends that it would not be possible

²⁹ PWS section 1 is the introduction to requirement and section 2 identifies reference documents. PWS at 1-3. Section 4 identifies distinct projects that the Navy may order. *Id.* at 191-211. Section 5 permits other DOD agencies to use this contract to obtain NMCI services described in sections 3.1 through 3.3. *Id.* at 212-215. Section 6 addresses the contractor’s obligation to support the Navy’s law enforcement and litigation activities. *Id.* at 215-225.

for Leidos to provide the amount of detail required for a relevant or very relevant assessment within the RFP's page limit. *Id.* at 148. Essentially, the protester argues that because it, the incumbent, was not able to provide the detail the solicitation required within the page limit, then neither was Leidos, and if the agency deemed the information provided by Leidos to warrant a relevant or very relevant assessment, the agency must have applied a different, more lenient standard to the Leidos proposal.

Perspecta merely speculates about the contents of Leidos's proposal, having no actual knowledge as to its contents, and we find the protester has provided no basis to support its allegation of unequal treatment. *Advanced Alliant Sols. Team, LLC*, B-417334, Apr. 10, 2019, 2019 CPD ¶ 144 at 5 n.3 (dismissing protest allegations based on speculation that "the agency did not thoroughly review [the awardee's] past performance or that [awardee] must have had significantly fewer past performance examples"). As such, we dismiss this protest ground.

Perspecta also challenges the agency's conclusion that most of its contract references were merely somewhat relevant, arguing that the agency unreasonably limited its relevancy review to PWS section 3. Protest at 143-146. The protester contends that nothing in the RFP put offerors on notice that the PWS section 3 requirements would be the sole basis for assessing the relevance of contract references, and, had the agency not limited its evaluation, it would have determined the protester's references relevant to the other sections of the PWS. *Id.* at 143-44. The Navy contends that the evaluators' focus on PWS section 3 was reasonably and logically encompassed within or related to the relevancy evaluation factor. COS/MOL at 263-268.

On this record, we see nothing inconsistent between the RFP evaluation criteria and the agency's evaluation method. Although the RFP did not specifically inform offerors that the agency would focus its relevance assessment on PWS section 3, this evaluation is logically encompassed within the RFP provisions. The RFP informed offerors that relevancy will be measured by the extent of similarity between the reference contract and the solicitation requirements. The PWS was structured such that the requirements were concentrated in section 3 with sections 4 through 6 overlapping. Sections 4 through 6 provide the means by which services from section 3 could be ordered, by whom, and, in the case of section 6, special responsibilities with regard to law enforcement and litigation. The protester does not explain how the other sections, 4 through 6, are not subsumed within PWS section 3. In sum, the protester's objection to the Navy's evaluation methodology does not provide a basis upon which to sustain the protest. *A-P-T Research, Inc.*, B-414825, B-414825.2, Sept. 27, 2017, 2017 CPD ¶ 337 at 7.

Perspecta also argues the SSEB unreasonably determined that the protester's proposal did not provide sufficient detail as to how the contract references were similar to this contract requirement. On the record here, we disagree.

The RFP instructed offerors to submit clear and sufficiently detailed proposals so the evaluators would be able to substantiate the validity of claims; the solicitation also

advised offerors not to rephrase or restate the government's requirements, but rather to provide convincing rationale addressing how the requirements would be met. RFP § L-2(c). Although Perspecta's proposal included a table for each contract reference that listed the PWS subsection titles with checked boxes for attributes to which Perspecta deemed the references similar, the SSEB found that this information was insufficient to validate Perspecta's claims. AR, Tab 49, Perspecta Past Performance FPR; Final SSEB Report. Perspecta's proposal included high-level generic information that restated the government's requirements and did not demonstrate work similar to contract requirements. The record shows that the evaluators reasonably gave credit for past performance when it was appropriate to do so despite the limited information included in the proposal.

It is an offeror's responsibility to submit a well-written proposal, with adequately detailed information that clearly demonstrates compliance with the solicitation requirements and allows for a meaningful review by the procuring agency. *Environmental Restoration, LLC*, B-417080, Feb. 5, 2019, 2019 CPD ¶ 155 at 9. Here, we find nothing improper or unreasonable about the agency's past performance relevance evaluation. This protest ground is denied.

Best-Value Determination

Finally, Perspecta argues that the agency's best-value determination is flawed due to underlying evaluation errors. Protest at 155-157. Because we have dismissed or denied the protester's challenges to the agency's evaluation, we conclude that there is also no basis to challenge the agency's resulting best-value determination. *Procentrix, Inc.*, B-414629, B-414629.2, Aug. 4, 2017, 2017 CPD ¶ 255 at 15. The record demonstrates that the agency's evaluation was reasonable overall but inasmuch as there were errors, as discussed throughout, Perspecta was not prejudiced. Where, as here, the highest-rated, lowest-priced offer is selected for award, a tradeoff is not required. *Id.*

Competitive Prejudice

While we found errors in the Navy's evaluation, we conclude that these errors did not competitively prejudice Perspecta. Competitive prejudice is an essential element of every viable protest. *Armorworks Enters., LLC, supra*. 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. *Raytheon Co.*, B-409651, B-409651.2, July 9, 2014, 2014 CPD ¶ 207 at 17.

Here, based on our review of the record, we see no basis to conclude that correcting agency errors would have resulted in Perspecta's higher-priced proposal being evaluated as technically superior to Leidos's proposal. Although it appears that correcting errors could have resulted in the elimination of certain weaknesses and significant weaknesses from the evaluation of Perspecta's proposal, it does not appear

that these changes would have affected the overall rating or standing of any offeror. Perspecta’s proposal would have remained lower-rated than Leidos’s proposal in every subfactor except for one.³⁰

For the technical and management approach evaluation, the Navy assigned Perspecta’s proposal 19 strengths, 15 weaknesses, and 5 significant weaknesses; whereas, Leidos’s proposal was assigned 66 strengths, 3 weaknesses, and no significant weaknesses, as illustrated below. COS/MOL at 283, Table 8; Final SSEB Report at 12, 103, 113, 121, 124, 133, 139.

Subfactor	Leidos			Perspecta		
	Strength	Weakness	Significant Weakness	Strength	Weakness	Significant Weakness
1.1	14	2	0	4	7	2
1.2	15	0	0	7	4	0
2.1	8	0	0	3	0	0
2.2	17	1	0	2	2	2
2.3	11	0	0	3	2	1
2.4	1	0	0	0	0	0
Totals	66	3	0	19	15	5

Thus, if we assume that Perspecta were to prevail on every challenge to its assigned ratings, Perspecta would have received 27 strengths, 1 weakness, and no significant weaknesses.³¹ COS/MOL at 283, Table 8; Protest at 125-135.

³⁰ For subfactor: 2.4, supply chain risk management, the Navy rated both Leidos and Perspecta acceptable and this rating would remain unchanged even if Perspecta successfully challenged the Navy’s evaluation. SSDD at 2.

³¹ To give Perspecta the full benefit of its arguments, we include allegations the protester made regarding strengths it should have received, which we concluded earlier were abandoned.

Subfactor	Leidos (as Evaluated)			Perspecta (as Alleged)		
	Strength	Weakness	Significant Weakness	Strength	Weakness	Significant Weakness
1.1	14	2	0	6	0	0
1.2	15	0	0	8	1	0
2.1	8	0	0	5	0	0
2.2	17	1	0	4	0	0
2.3	11	0	0	3	0	0
2.4	1	0	0	1	0	0
Totals	66	3	0	27	1	0

Thus, we conclude it is highly unlikely Perspecta would have had a substantial chance of receiving award.³²

Furthermore, we find no basis to conclude that Perspecta was prejudiced under the past performance factor. As discussed above, we found that the agency's past performance evaluation was reasonable; however, even assuming that Perspecta prevailed on its challenge to the Navy's past performance evaluation, it is unlikely Perspecta would have had a substantial chance of receiving the award. Leidos had higher ratings than Perspecta for all but one of the technical and management approach subfactors, each of which was weighted more heavily in the award decision than past performance or cost. SSDD at 3; RFP § M-1. The SSA explained that she had confidence both offerors would be able to perform and that given the past performance factor was the least important non-price factor, Perspecta's rating was not determinative in her best-value determination. SSDD at 13. Based on this record, we find no basis to conclude that any of Perspecta's allegations regarding the evaluation of offerors' past performance provides a basis to sustain the protest.

With regard to the price realism evaluation, assuming for the sake of discussion, that Leidos's proposal included unrealistically low pricing, the RFP did not prohibit award to Leidos. The RFP established that where the price realism analysis resulted in findings that offerors' pricing was unrealistically low, such findings would be considered in the best-value tradeoff analysis; unrealistically low pricing did not make the proposal ineligible for award. Thus, even if Leidos's pricing was deemed unrealistic, Perspecta would not have a substantial chance of award contract because Perspecta's proposal would have remained higher-priced and lower-rated than Leidos's proposal and Leidos's proposal would still be awardable without a best-value tradeoff analysis.

Moreover, Perspecta's proposal remains more expensive than and technically inferior to Leidos's proposal. As we explained above, assuming that Perspecta were to prevail on

³² We note that the record demonstrates that the agency did not merely compare the number of offerors' strengths, weaknesses, and significant weaknesses in its evaluation and comparative analysis. SSDD at 12-13.

every aspect of its cost realism challenges, Perspecta's evaluated cost proposal is approximately \$150 million higher-priced than Leidos's proposal. We find that correcting any evaluation errors would not have changed the fact that Perspecta's proposal remains higher-priced and lower-rated than Leidos's proposal and would not have resulted in Perspecta having a substantial chance of receiving award.

In summary, based on this record, we find no basis to sustain the protest. We conclude the agency reasonably determined that Leidos did not gain an unfair advantage based on the hiring of a former government employee and the Navy's OCI waiver met the FAR's requirements. Furthermore, we conclude the agency's evaluation was reasonable and that the majority of the incumbent protester's complaints amount to disagreement with the agency's decision-making. To the extent that there were errors in the agency's evaluation, these errors did not result in competitive prejudice because Perspecta's proposal remains higher-priced and lower-rated when viewed in the most favorable light to Perspecta.

The protest is denied.

Thomas H. Armstrong
General Counsel