



Comptroller General
of the United States

Washington, D.C. 20548

Decision

REDACTED VERSION*

Matter of: JJH, Inc.

File: B-247535.2

Date: September 17, 1992

James A. Noone, Esq., Karalekas & McCahill, for the protester.

Robert J. Boardman, Department of the Navy, for the agency.
Robert C. Arsenoff, Esq., and John Brosnan, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest of the award of a contract for services in support of an attack submarine program by a firm teaming with the incumbent support contractors challenging the agency's determination that competing proposals were technically equivalent and the consequent decision to award to the nonincumbent offeror with lower evaluated costs is denied where the solicitation did not make submarine-specific experience a principal discriminating factor between competing offerors and where the record shows that the agency had a reasonable basis for favorably considering the nonincumbent awardee's related surface ship support experience.

2. Protest alleging that agency's cost realism analysis of the competing offerors' other direct costs (ODC) and transition/start-up costs was defective is denied where, even under the protester's suggested method of properly calculating ODCs, the results yield no significant difference between the higher evaluated costs of the protester and the evaluated costs of the awardee and where the transition/start-up costs minimally affected the overall analysis.

*The decision was issued on September 17, 1992, and contained proprietary and source-selection sensitive information. It was subject to a General Accounting Office protective order. This version of the decision has been redacted. Deletions in text are indicated by "[deleted]."

DECISION

JJH, Inc. protests the award by the Department of the Navy to ELS, Inc. of a cost-plus-award-fee contract for technical, engineering and logistics services in support of the program office for the Seawolf attack submarine under request for proposals (RFP) No. N00024-90-R-2908(Q).

JJH maintains that the selection of ELS, which received a lower technical score but offered lower evaluated costs, was unreasonable. The protester argues that the Navy's conclusion that the higher score it received was due to its greater familiarity with the program rather than any actual technical superiority was inconsistent with the terms of the RFP, which the protester argues informed offerors that Seawolf or other submarine-specific experience was "critical" to successful performance. In addition, the protester argues that a number of other errors were made by the agency in its evaluation of the technical and cost proposals.

We have carefully reviewed the record in the context of the protester's voluminous arguments and we find no legal basis upon which to object to the Navy's judgment in selecting ELS. We thus deny the protest.

BACKGROUND

The RFP was issued on August 14, 1990, contemplating the award of a contract for 1 year with four 1-year options to that offeror whose proposal was determined to present the most advantageous combination of technical merit and cost. Section M of the RFP, entitled "Method of Award," stated that technical merit was to be evaluated on the basis of five factors which are listed below in descending order of importance:

- Technical Approach
- Personnel
- Corporate Experience
- Management
- Facilities

The technical approach factor, which like other factors was described in detail in Section L of the RFP, entitled "Instructions to Offerors," was designed to measure an offeror's capability to "adequately" perform in accordance with the RFP's statement of work (SOW). The technical approach factor in part required a demonstration of an offeror's understanding of 13 equally weighted functional areas related to the RFP's SOW.

In the part of Section L which pertained to the personnel factor, the RFP, among other things, required offerors to submit resumes for 10 specified key personnel categories. The RFP stated that the proposed key personnel were to have an "adequate range of skills to perform" the effort identified in the SOW. The key personnel were also expected to possess specific listed qualifications. Except for the training analyst, no position description in the RFP required technical experience with submarine programs. Three other descriptions indicated that submarine program experience, although not necessarily Seawolf program experience, would be preferred.

Section L of the RFP also separately described what was expected in terms of the corporate experience factor. It stated that "[o]fferors shall demonstrate recent (last 5 years) corporate experience on a program of the size and complexity of the work described herein." There was no mention of submarine experience under this factor.

The remaining technical evaluation factors are not in issue.

Cost, the other principal element in the evaluation process, was to be evaluated for reasonableness and realism but was not to be scored. The RFP stated that cost would be substantially less important than technical merit; however, it also warned offerors that cost, while not controlling, would be an "important" evaluation factor whose degree of importance would increase as "technical scores approach equality."

The RFP further specified that the agency reserved the right to determine which proposal demonstrated the "requisite competence and offers the greatest value," and it contained the following statement which the parties have described as a "premium formula":

"The Government will compare the evaluated cost plus evaluated fee of the offeror with the highest technical score with . . . other technically acceptable offerors. The Government may be willing to pay a premium in total [costs] for a proposal which scores higher in technical such that the movement of one point in technical score equates to a movement of 0.77% in cost. This relationship permits a payment of a 30% premium. . . ."

Proposals were received from eight firms including the protester and ELS. All eight were evaluated, found to be technically acceptable, and included in the competitive range. Written discussions were conducted. Best and final offers were submitted and evaluated. The following scores were reported for JJH and ELS:

Factor	JJH	ELS
Technical Approach	[deleted]	[deleted]
Personnel	[deleted]	[deleted]
Corporate Experience	[deleted]	[deleted]
Management	[deleted]	[deleted]
Facilities	[deleted]	[deleted]
Total Score	[deleted]	[deleted]

JJH's proposed costs were adjusted upwards from \${deleted} to \${deleted} as the result of the Navy's cost realism analysis which lowered all offerors' proposed award fees uniformly, but raised each offeror's (except ELS') proposed Other Direct Costs (ODC) to compensate for understated postage and reproduction costs over the potential 5-year term of the contract.² The fee adjustment resulted in the slight reduction of ELS' proposed costs from \${deleted} to \${deleted}.

The contract review panel and the source selection official (SSO) concluded that the [deleted]-point difference in JJH's technical score did not represent meaningful superiority in terms of JJH's ability to perform the tasks required by the SOW and that the essential technical equivalency of the two competing proposals did not warrant paying JJH the additional amount of \${deleted} represented by the difference in evaluated costs between the offerors. Award of the contract to ELS was recommended by the panel and accepted by the SSO. This protest followed. The award has been withheld pending resolution of this matter before our Office.

PROTEST OVERVIEW

JJH primarily objects to the selection of ELS based upon that firm's lower evaluated costs and the Navy's conclusion that the two firms were essentially equal from a technical standpoint. The protester argues that the agency's conclusion concerning technical equivalency is not consistent with the terms of the RFP and not otherwise supported by the evaluation record. More specifically, JJH

²ODCs were described in the RFP as those direct costs not otherwise included in the contractor's direct costs. They included costs for such items as travel, telephone, postage, reproduction and computer time.

contends that the language of the RFP called for a substantial amount of submarine-specific performance in the SOW functional area descriptions and points out that its team has submarine-specific experience that cannot be equaled by ELS nor made up during the 2-month start-up period provided for in the RFP. Further, JJH states that the evaluation record supports the technical superiority of the protester's proposal because it shows that the evaluators consistently assigned it higher technical scores and because a comparison of the proposals demonstrates that JJH offered personnel with more submarine or Seawolf experience and a team of companies with more corporate experience with submarines and the Seawolf program.

The protester raises a number of subsidiary issues with regard to the technical evaluation and the cost realism analysis which, in its view, should cause an increase in its technical score³ and the difference in evaluated costs to decrease and thereby enhance the "likelihood" of its selection over ELS.

EVALUATION/TRADEOFF

As a preliminary matter, we note that the detailed explanation of the agency's determination of technical equivalency of the two proposals appears in a document, entitled "Appendix A," which was prepared in response to the protest. Appendix A contains an analysis of the technical scores assigned by the evaluators to ELS and JJH and an explanation of why the contract review panel originally found the scoring differences to be insignificant in terms of a difference in the two offerors' abilities to perform successfully on the Seawolf support contract. Appendix A

³Throughout its protest, JJH bases many of its arguments on the point scores received by the two offerors and the actual mathematical difference between those numbers. Whether a given point spread between offerors indicates the actual superiority of one proposal over another depends on the facts and circumstances of each procurement. While technical point scores, when used, must be considered by selection officials in arriving at their conclusion, they are not bound thereby; rather selection officials must decide whether the point scores show technical superiority and what the difference may mean in terms of contract performance. Arthur D. Little, Inc., B-243450, July 31, 1991, 91-2 CPD ¶ 106. Thus, our analysis of the selection decision in this case focuses on the significance that the contract review panel and the selection official gave to the scores received by JJH and ELS and to the actual differences between the proposals. We do not rely on a mechanistic view of the numbers themselves.

also discloses some mathematical scoring errors, which were found as a result of the review panel's examination of the evaluation process and which serve to slightly increase the difference in technical scores between the two offerors. The review panel concluded in Appendix A that, notwithstanding the mathematical errors, its original recommendation of essential technical equivalency between JJH and ELS remained the same. The principal reason advanced by the panel, which is consistent throughout the analysis and which forms the basis for its overall conclusion of equivalency, is that they found the scoring advantages enjoyed by JJH over ELS, even when corrected, to represent little more than an incumbent's advantage in knowing the details of the Seawolf program which they concluded could be overcome by ELS' technically competent staff in a 2-month start-up period designed to provide familiarity with the details of that program. Appendix A was presented to the SSO, who ratified it along with the initial selection decision.

JJH takes exception to our considering documents such as Appendix A because they were not prepared contemporaneously with the actual evaluation and selection. The protester suggests that such documentation is not reliable because it merely ratifies an earlier, allegedly defective, decision that the agency is seeking to preserve in the face of a protest. Although we may give less weight to documentation supporting an agency's original selection that is developed after the decision has been made, we do consider such documents, along with the entire record, if they are presented in a timely manner so that the protester has an opportunity to comment on them. See Aircraft Porous Media, Inc., B-241665.2; B-241665.3, Apr. 8, 1991, 91-1 CPD ¶ 356. JJH has had ample opportunity to respond to all of the materials which have been generated by the contract review panel and accepted by the SSO in this matter. Consequently, we will consider the Navy's later explanations in amplification of its initial selection decision.

As far as our review of the selection is concerned, we will not substitute our judgment for that of the agency's evaluators; rather, we will examine the entire record to determine whether the evaluators' judgments were reasonable and in accord with listed criteria. Norfolk Ship Sys., Inc., B-219404, Sept. 19, 1985, 85-2 CPD ¶ 301. In this regard, agency officials have broad discretion in determining the manner and extent to which they will make use of the technical and cost evaluation results. Cost/technical tradeoffs may be made, and the extent to which one may be sacrificed for the other is governed only by the test of rationality and consistency with the established evaluation factors. Grey Advertising, Inc., 55 Comp. Gen. 1111 (1976), 76-1 CPD ¶ 325. The significance

of the difference in the technical merit of offers is essentially a matter for the judgment of the agency evaluators to which we will object only if there is no reasonable basis for it. See Systran Corp., B-228562; B-228562.2, Feb. 29, 1988, 88-1 CPD ¶ 206.

JJH's position that its greater submarine-specific experience renders unreasonable the agency's conclusion that the two proposals were technically equal is based in large part upon the protester's view that the language of the RFP clearly provided that the Navy would consider technical merit as much more important than cost and that an offeror's experience with submarines would be a significant factor in determining the technical merit of a proposal.

To be reasonable, an interpretation of an RFP must be consistent with the solicitation read as a whole and give effect to all of its provisions. FirstPage of Virginia, B-243747, Aug. 2, 1991, 91-2 CPD ¶ 121. Moreover, we will not read solicitation provisions in a manner which restricts competition unless it is clear from the solicitation that such a restrictive interpretation was intended. MAR, Inc., B-242465, May 6, 1991, 91-1 CPD ¶ 437.

Section M of the RFP did provide that primary consideration would be given to technical competence and that this was substantially more important than cost. It also provided that cost would become a more important factor as the technical equality of proposals increased.⁴ Section M explicitly provided that the government reserved the right to determine which proposal demonstrated the requisite competence and offered the greatest value in terms of a combination of technical merit and costs. Thus, offerors

⁴JJH places considerable emphasis on the premium formula contained in RFP Section M which indicated what additional amount of money the Navy "may" be willing to pay for a highly scored proposal, arguing in effect that the Navy abused its discretion in not making an award to the protester who was the highest rated offeror and, thus, the only firm to qualify for application of the premium. The application of the formula is, as JJH concedes, not mandatory, and thus does not operate to displace the agency's discretion in determining the manner in which it makes use of the technical evaluation scores in determining whether proposals are technically equivalent. See generally Grey Advertising, Inc., supra. We therefore need not separately consider JJH's arguments concerning the application of the premium formula since the validity of the selection here is dependent upon the reasonableness of the agency's cost/technical tradeoff, not the application of the formula.

were on notice that there would be a balancing of cost and technical considerations. Systran Corp., supra.

JJH admits that the RFP does not contain a specific requirement for submarine experience except for the single personnel category of training analyst. Nevertheless, the protester points out that under each of the evaluation factors, other than one concerning the offerors' facilities, the RFP requires that the offeror demonstrate its ability to perform in accordance with the SOW. JJH argues that submarine experience is "extremely important" in order to successfully perform many of the tasks set forth in the SOW. It therefore concludes that "taking the RFP as a whole" submarine experience should have been a significant consideration in the evaluation.

In support of its conclusion in this regard, the protester cites six tasks contained in the SOW and asserts that, in order for them to be successfully completed under the current Seawolf contract, its incumbent teaming partners provided detailed engineering advice in reviewing or developing documentation concerning subjects which are unique to submarines. On the other hand, in responding to JJH's characterizations of the SOW tasks, the Navy reports that the contractor's responsibilities will involve little engineering input; rather, the Navy states that the contractor will be reviewing and coordinating the engineering work of others--both Navy technical experts and experts employed by other contractors--in a largely administrative effort. The Navy further points out that the Seawolf contractor's work will be reviewed by outside experts. Inherent in the agency's position is that a capable team of surface ship technicians can learn what they need to within a 2-month start-up period to successfully perform the Seawolf contract. As JJH recognizes submarine-specific experience is explicitly required in only 1 of 10 key personnel categories listed under the personnel factor.

In our view, the Navy simply did not construct the RFP to either favor or require submarine-specific experience as the protester suggests. While JJH strongly argues that a significant amount of submarine experience is required to successfully perform the six tasks, the Navy has responded with a detailed explanation of its position that these services can be successfully performed by a contractor experienced in providing technical, engineering and logistics services for any type of ship.

For example, JJH argues that a detailed knowledge of submarine radio rooms is called for by the SOW requirement that the contractor provide systems engineering services for external Seawolf communications. In this regard, JJH estimates that 85 percent of the equipment is unique to

submarines. Further, JJH asserts that all submarine communications antennas have no surface ship counterparts and the protester notes that new RF switches used in the Seawolf's communication system are especially designed for submarines.

The Navy points out that matters related to the design and procurement of the Seawolf's communications equipment are the responsibility of the Space and Naval Warfare Systems Command (SPAWAR) and that the Seawolf support contractor has no role in the activities of SPAWAR. As for the new RF switches for the Seawolf, the Navy notes that another contractor is responsible for designing the switches. The Navy reports that the Seawolf contractor will mostly be engaged in reviewing and coordinating work of other Navy and contractor engineers and making appropriate changes to the Seawolf's specification package once the engineering work is approved by the Navy's technical specialists. According to the Navy, any other engineering work will not involve submarine-specific subjects relating to the Seawolf's external communications system--a system which the Navy characterizes as similar in many respects to one on a surface ship.

In response, JJH recognizes that much of the work of the Seawolf contractor relating to external communications does involve integrating government-designed and contractor-designed equipment. JJH insists, however, that this integration effort requires submarine-specific experience to be performed satisfactorily and the protester notes that its incumbent team partners have been called upon to make design inputs for such items as the new RF switches for the Seawolf.

This example and the others cited by JJH show that the parties sharply disagree as to whether submarine-specific experience is needed. Some aspects of the protester's argument that more relevant experience would assist in performing the contract, at least initially, appear to have merit. However, the record does not establish that the protester's understanding of the contract work is generally superior to that of the agency, and we therefore cannot say that the Navy's own, less restrictive view of its SOW requirements is unreasonable.

The question remains, however, whether the agency had a reasonable basis for concluding that ELS and JJH--in terms of their technical approaches and personnel and corporate experience--were essentially equivalent so that either could adequately perform the contract, albeit with ELS having to undergo a 2-month transition period in which it was to gain familiarity with the specifics of the Seawolf program. JJH

has disputed the agency's conclusion with respect to each of those factors.

As stated above, the agency has considerable discretion in determining whether proposals are technically equal; our role is to examine the record to see if there is a reasonable basis for the agency's decision. See Litton Sys., Inc., B-239123, Aug. 7, 1990, 90-2 CPD ¶ 114. For the reasons set forth below, we find that there is a reasonable basis for the agency's decision that the proposals were technically equivalent.

With respect to the technical approaches of the two offerors, JJH points out that in all but one functional area⁵ covered by the factor it received higher scores than ELS, a fact which the protester argues should have compelled a conclusion that its proposal was superior. As stated above, however, it is not the precise scores which are to be analyzed in such circumstances, but the significance attributed to them by selection officials in determining whether they will have a meaningful impact on successful contract performance. Arthur D. Little, Inc., supra.

The Navy has analyzed, in Appendix A, the scores received by both offerors under all of the elements of this factor and it has explained that JJH's higher scores are attributable to its incumbent teaming partners' familiarity with details of the Seawolf program which ELS' otherwise competent staff could easily learn during the 2-month start-up period.

JJH argues that this greater familiarity with the Seawolf program means that its proposal was superior under this factor. However, since under the technical approach factor the agency was measuring capability to "adequately" perform, the agency could reasonably conclude, based on its finding that ELS' technical approach was not deficient and that it had a competent staff which could gain program familiarity in a short period of time, that the proposals were essentially equal in this area.

With respect to the evaluators' conclusion that the proposed personnel of the two offerors were equivalent, JJH does not dispute nor does the record otherwise show that ELS' proposed personnel failed to meet any of the educational or experience requirements set forth in the RFP. In fact, the record shows that a number of ELS' key personnel have submarine experience. A review of the arguments raised by JJH and the analysis of the offerors' respective personnel

⁵The evaluation under the standardization subfactor which resulted in a lower score for JJH was admittedly flawed. This matter is treated later in the decision.

performed by the Navy shows that both the agency and the protester reach essentially the same conclusion--that JJH proposed a team with more submarine-specific experience--for which it was rated slightly higher during the technical evaluation.

At best, JJH has established that it disagrees with the judgment of the agency's evaluators and the SSO that the surface ship experience of the ELS' personnel is exportable to the Seawolf program so that the more extensive submarine experience of JJH's personnel does not constitute a real long-term performance advantage. This disagreement does not, however, show that the agency's judgment was unreasonable. Systran Corp., supra. The agency's conclusion is based on the assumption that ELS' otherwise competent personnel can make a successful transition to the Seawolf program and there is nothing in the record which shows that assumption to be unreasonable. Accordingly, we have no basis for disturbing the Navy's conclusion that, for the purposes of performing the specified services, ELS and JJH have technically equivalent proposals in terms of personnel. Systran Corp., supra.

Likewise, the record supports the reasonableness of the agency's judgment that the corporate experience of the two offerors was similarly equivalent. JJH's argument that it is superior in this area rests in part on its reading of the RFP as requiring submarine-specific experience or Seawolf program experience. As indicated above, this reading is too narrow. The remainder of JJH's argument is based on a comparison of the number of contracts performed over the last 5 years by the offerors and their teaming partners. In this regard, JJH notes that it, or its partners, have performed 30 such contracts while ELS has performed only 17.

Section L required the demonstration of recent corporate experience with a program of similar size and complexity to the Seawolf program. JJH concedes, however, that ELS and its partners had recent experience with two submarine contracts valued at more than \$60 million each. While, as JJH argues, the protester and its teaming partners have had more contracts relating directly to submarines and the Seawolf project than the ELS team, those contracts were admittedly not all of the size of the present program. Thus, we have no basis for finding the agency's conclusion that ELS' corporate experience was for all practicable purposes equal to that possessed by the JJH team.

In sum, it is our view that the record supports the Navy's conclusion that in each of the three areas and on an overall basis, the slightly higher technical rating achieved by JJH was primarily the result of the incumbent experience of its

teaming partners and did not indicate actual technical superiority that would warrant JJH's higher cost.

Standardization

With regard to the conduct of the technical evaluation and its effect on the protester's chances for a higher score leading to a greater "likelihood" that its proposal would have been regarded as technically superior, JJH argues that it received an unfair evaluation under the technical approach subfactor of standardization because, after discussions, it received a substantially lower score than ELS for essentially the same demonstration of familiarity with various military directives governing standardization.

The Navy admits that it improperly evaluated JJH's BAFO under this subfactor and has recalculated JJH's overall score based on a perfect standardization rating. The recalculation, which also accounted for some minor mathematical errors discovered in other areas (discussed above regarding "Appendix A"), results in a new total score of [deleted] for JJH, which is [deleted] points higher than ELS' score. Under the RFP premium formula using the recalculated score, the Navy could pay up to \$[deleted] more for JJH's higher scored proposal. The agency has presented the recalculated scores to the contract review panel, as well as the SSO, for reconsideration of the selection decision in light of the "corrected" evaluation. According to the agency, both the panel and the SSO concluded that the changes in scoring did not have an impact on the substance of their conclusions that the proposals were essentially equal.

In this regard, the Navy has reported that weaknesses in the standardization area do not have a major impact on expected contract performance because standardization has become routinized under agency instructions applying to a number of Navy support services contracts and there is minimal effort remaining in the area for any contractor to perform.

The protester does not refute this explanation; rather, it objects to the reevaluation on the basis that the agency has merely ratified, after-the-fact, a decision that it had already erroneously reached. We can find nothing in the record to lead us to the conclusion that the agency has acted improperly in its reevaluation. JJH's arguments constitute nothing more than a generalized disagreement with the Navy's explanation that standardization is a relatively unimportant factor in determining whether one contractor will perform better than another, and that, therefore, the evaluation error had no real impact upon the selection. We have carefully reviewed the rationale behind the agency's reconsideration of the selection based upon the recalculated

JJH scores and can find no legal basis upon which to interfere with the agency's judgment in this regard.

COST REALISM

JJH contends that the agency's cost realism analysis was defective in two principal respects: (1) the manner in which competing offerors' ODCs were treated was unfair and prejudicial to JJH; (2) the Navy failed to consider start-up costs in its analysis. JJH argues that, had these defects not been present, a proper evaluation of the proposed costs of the competing offerors would have reflected a narrower margin of difference between the costs proposed by protester and ELS and would have, therefore, increased the likelihood of JJH's selection.

When an agency evaluates proposals for the award of a cost reimbursement contract, an offeror's proposed estimated costs of contract performance are not considered controlling since they may not provide valid indications of what the government is required to pay. Systran Corp., supra. Consequently, an agency's evaluation of estimated costs should consider what the contract should cost assuming reasonable economy and efficiency. When reviewing a cost realism analysis, we consider whether the evaluation performed was reasonable. Id. As indicated below, we have no reason to object to the Navy's cost realism analysis in this case.

ODCs

In its analysis of proposed ODCs, the agency found that all offerors had understated by varying degrees postage and reproduction costs, which it estimated to be \$75,000 annually or a total of \$375,000. The agency made upward adjustments to all offers, except ELS', to account for these shortfalls in the proposals. In ELS' case, although it had a shortfall of \$[deleted] for these costs, the Navy decided that the shortfall was balanced by ELS' overstatement of about \$[deleted] for computer time and thus decided that no overall adjustment needed to be made with regard to ELS' ODCs.

In JJH's case, the agency found that the protester had a shortfall of \$[deleted] in postage and reproduction costs and accordingly added this amount to its proposed ODCs in the cost realism analysis, having found no reason to believe that, unlike ELS, JJH had overstated its computer costs. These adjustments, together with the fee adjustment not here in dispute, resulted in JJH's evaluated costs being \$[deleted] and ELS' being \$[deleted], a difference of \$[deleted]. JJH contends that it was treated unfairly because the Navy did not find during its analysis that its

proposed computer time and supply costs were in fact also overstated so that an offset for its understated postage and reproduction costs should have been made as it was with ELS.

JJH asserts that had the Navy reduced the adjustments to its proposed ODC's by offsetting its alleged excess computer costs using the same assumptions as it did for ELS, then the difference between the evaluated costs of both firms would have been \$[deleted] rather than \$[deleted]--a narrowing of approximately \$51,000.

Even if the protester is correct in its position regarding ODCs, the narrowing of the difference in evaluated proposed costs by approximately \$51,000 would be insignificant in light of the agency's determination of technical equivalency and the fact that, under the protester's own theory of cost realism, the agency would still be paying more than \$[deleted] more to JJH than it would be paying ELS. Since we do not believe that the alleged \$51,000 error in the cost analysis would have impacted upon the agency's selection, it need not be considered further.

Transition/Start-up Costs

Under the technical approach factor in Section L of the RFP, offerors were required to describe a "transition plan" and a "start-up plan." The "transition plan" was to detail what the contractor would do to augment its staff during peak workload periods--not necessarily at the beginning of contract performance. On the other hand, the "start-up" plan was to identify efforts and time that would be required to initiate contract performance. Costs associated with the transition plan were, according to the RFP, to be "reflected" in an offeror's proposed costs and costs associated with the start-up plan were to be "identified" in the cost proposal. Neither offeror separately set forth either transition or start-up costs in its cost proposal.

JJH contends that it was prejudiced by the Navy's failure to make adjustments in the proposed costs of both offerors with respect to start-up and transition costs. Underlying this contention is JJH's assertion that the overall effect of making such adjustments would be to narrow the difference in overall costs between the two offerors because ELS, as a new contractor, would be expected to have greater start-up costs than JJH--who teamed with incumbents.

With respect to the transition plans, our review of the record shows that both ELS and JJH proposed to [deleted] during peak workload times as necessary and, as stated earlier, neither firm separately set forth the costs for these endeavors in their cost proposals. We, therefore, have no reason to question the Navy's cost analysis which

did not consider possible costs associated with each offerors' transition plan. It appears that the offerors were treated equally in this regard and we find no reason to believe that the costs of [deleted] in peak workload times would have been any more expensive for ELS than for JJH.

With respect to start-up plans, JJH's proposal stated that because it was teaming with incumbents, no start-up "period" would be required; however, in its proposal, JJH--which itself is not a Seawolf program incumbent--described the necessity at the beginning of contract performance to undertake an effort to transfer management responsibilities from its incumbent teaming partners to it. The Navy essentially viewed this description as a start-up plan requiring a number of initial meetings with Seawolf program officials and all of the incumbent teaming partners. JJH does not dispute this.

ELS' proposal set forth a start-up plan which described [deleted].

The Navy viewed this plan as principally involving costs for ELS' personnel--which were accounted for in the firm's cost proposal--and subsidiary costs to be borne by the government, either on its own through Seawolf program officials' time or by virtue of its compensating the incumbents for their efforts during the start-up period. Accordingly, the agency projected no additional start-up costs in the analysis of the ELS' cost proposals. In response, JJH essentially recognizes that most unstated ELS start-up costs will be borne by the government, but the protester still questions why the Navy did not consider nonpersonnel costs associated with developing the [deleted] promised in its proposal.

Based upon our review of the ELS proposal, it does not appear to us that its proposed start-up plan would involve significant costs either in the context of labor or materials. Consequently, we will not disturb the agency's failure to not adjust ELS' total proposal costs to reflect the probable cost of start-up because as indicated above they simply do not appear to have been significant.

CONCLUSION

We find no basis to object to the award to ELS. First, we find no support for JJH's assertion that the RFP required submarine-specific experience. Second, while both JJH and ELS submitted technical proposals rated in the "good" range and while JJH enjoyed a slight technical scoring advantage as the result of its increased familiarity with the Seawolf program, the SSO had considerable discretion in deciding whether the proposals were technically equivalent and in

deciding not to pay over \$[deleted] to JJH as a result. While it is possible that another SSO could have made a different determination, we can only properly object to an award decision if we find no rational basis for the decision or an inconsistency with the evaluation criteria. On the record before us and in consideration of the voluminous arguments set forth by JJH--which are summarized in the foregoing analysis⁶--the protester has not shown, nor are we able to find, that the selection decision runs afoul of either test. Unidynamics/St. Louis, Inc., B-232295, Dec. 21, 1988, 88-2 CPD ¶ 609.

The protest is denied.

James F. Hinchman
General Counsel

⁶In reaching our conclusion, we have carefully reviewed the extensive evaluation records pertaining to this procurement in the context of all of the protester's arguments. While we have not treated in detail each and every one of the protester's many arguments, they have all been considered and have played a role in our decision. Litton Sys., Inc., supra.