



Decision

Matter of: SAIC Computer Systems

File: B-213431.2

Date: March 13, 1995

Joel R. Feidelman, Esq., James J. McCullough, Esq.,
Densen J. Melander, Esq., and Catherine E. Pollack, Esq.,
Fried, Frank, Harris, Shriver & Jacobson, for the protester.
William A. Shook, Esq., Preston Gates Ellis & Rouvelas
Meeds, for Solaris Systems, an interested party.
L. James Gardner, Esq., Department of the Navy, for the
agency.
Guy R. Pietrovito, Esq., and James A. Spangenberg, Esq.,
Office of the General Counsel, GAO, participated in the
preparation of the decision.

DIGEST

1. In a procurement for the award of a fixed-price contract for computer workstations to the technically acceptable, lowest-priced offeror, where the solicitation required that offerors provide sufficient information to demonstrate compliance with detailed technical specifications, the contracting agency reasonably accepted the awardee's offer of an interface device which the agency recognized could meet its solicitation requirements.
2. The contracting agency did not engage in technical leveling where successive rounds of discussions were required for both the awardee's and the protester's proposals before they were found technically acceptable and the discussions conducted with the awardee were not due to the awardee's lack of diligence, competence, or inventiveness.
3. Protest that the awardee's price for a contract line item for an upgraded computer workstation may only have been for the upgrades, while the protester priced the line item as a stand-alone workstation is denied where the solicitation unambiguously required pricing of a stand-alone unit, the awardee's pricing is consistent with providing a stand-alone unit, and the agency was assured during discussions that offerors knew that prices for this line item were for a stand-alone unit.

4. Protest that the contracting agency unreasonably failed to assess the technical risk in the awardee's offer of allegedly unreasonably low prices is dismissed where the solicitation contemplated the award of a fixed-price contract and there were no stated criteria for a cost/price realism analysis or the evaluation of offerors' understanding; the reasonableness of an offeror's low price concerns the offeror's responsibility.

5. Protest that the contracting agency in the award of a fixed-price contract did not assure that the awardee would comply with contract cost principles and cost accounting standards is dismissed because there is no requirement that an offeror's proposed fixed prices encompass estimated performance costs.

DECISION

SAIC Computer Systems protests the award of a contract to Solaris Systems under request for proposals (RFP) No. N68836-94-R-0055, issued by the Department of the Navy for ruggedized computer workstations and accessories. SAIC complains that Solaris's proposal is technically unacceptable, that the Navy evaluated the firms' offers unequally, that the Navy did not consider the technical risk inherent in Solaris's low-priced proposal, and that Solaris's pricing violated contract cost principles and cost accounting requirements.

We deny the protest.

The RFP, as amended, contemplated the award of a fixed-price contract for portable ruggedized computer workstations and various hardware upgrades. Lot I requested that offerors provide prices for the supply of first articles of workstations identified as the "RSC-1X workstation," the "RSC-2X workstation expansion unit," the "RPC-1X workstation with TAC-3 upgrade," and the "RPC-2X workstation with TAC-3 upgrade," and for the supply of specified production quantities of RSC-1X and RSC-2X workstations. Lot II requested prices for estimated quantities of RSC-1X, RSC-2X, RPC-1X, and RPC-2X units, and for other specified hardware upgrades. Lot III requested prices for option quantities of the RSC-1X, RSC-2X, RPC-1X, and RPC-2X units, and for specified hardware upgrades.

Detailed specifications were provided for each of the specified workstations, expansion units, and hardware

¹"TAC-3" refers to the Navy's Tactical Advanced Computer Model 3.

upgrades. In this regard, brand names and model numbers were identified for many of the systems' components and hardware upgrades, and salient characteristics were identified to allow for the offer of equal products. Requirements for other system components were provided by performance, functional and/or design specifications.

The "RSC" workstations and expansion units are upgraded versions of currently used workstations and expansion units--which are also designated as the RSC-1X and RSC-2X.² The RSC-1X workstation here was identified as a ruggedized, portable workstation, using Sun Systems processors and operating systems. The RFP stated that the RSC-2X expansion unit, when connected with the RSC-1X workstation, would provide additional tape and disk storage devices and 32-bit "versa module europa" (VME) bus expansion capability. The RSC-1X and RSC-2X units interface through the use of a 160-pin, "Hypertronic" docking connector. Offerors were informed that the RSC workstations and expansion units to be supplied under the contract must be compatible in form, fit, and function with the Navy's existing workstations.

The RPC-1X workstation was identified as a ruggedized, portable workstation, using a Hewlett-Packard processor and operating system, which would be compatible with the Navy's TAC-3 computer. This workstation was stated to be an upgraded version of the RSC-1X workstation, but using the Hewlett-Packard processor. Offerors were informed that the Navy sought an "absolute minimal amount of component change" from the RSC-1X workstation. In this regard, the solicitation provided that, except for stated modifications, such as the Hewlett-Packard processor and operating system and the full implementation of a VME bus interface, the RPC-1X and RSC-1X units would be constructed of identical electrical, electronic, and mechanical components and assemblies to keep to a minimum additional logistics support costs and associated life-cycle costs. The RFP also provided that the RPC-1X's operating system software must "contain and fully integrate all VME software drivers required to support all VME circuit card assemblies."

The RPC-2X expansion unit is an upgraded version of the RSC-2X unit and provides additional tape and disk storage

²SAIC designed, developed, and manufactured the RSC-1X and RSC-2X units currently used by the Navy.

³A "VME bus" is an industry-standard computer architecture, requiring specific electrical signal coding and compatible interface boards. The VME standard has been defined by Institute of Electrical and Electronic Engineers (IEEE) standard 1014 revision C.

devices and VME bus expansion capability for the RPC-1X workstation. The RFP required that the RPC-1X and RPC-2X units use a VME bus repeater or equivalent interface connected to a specified docking connector assembly as the means by which the workstations' VME bus signals would be transmitted; specifically, the RFP provided that the connection between the units' VME interfaces must be provided by a "160-socket Hypertronics Part Number NPHV19/16PFR/TAH, or fully mechanically and electrically equal, docking connector." Offerors were informed that the docking cable assembly must be compatible with that used in existing RSC-1X workstations and that the cable pin assignments must be identical to that of the RSC-1X workstations.

The RFP provided for award to the offeror whose technically acceptable proposal offered the lowest overall price. To be considered acceptable, an offeror's proposal must satisfy stated evaluation factors that measured the compliance of the offeror's proposed workstations, hardware, and components with the solicitation's specifications. In this regard, offerors were instructed to provide "[n]arrative information sufficient" to demonstrate compliance with the RFP's requirements and to provide, for proposed "equal" equipment, descriptive literature demonstrating compliance with the stated salient characteristics. The proposal instructions also requested that offerors provide sufficient specificity to demonstrate "valid and practical solutions for technical problems."

Proposals were received from three offerors, including SAIC and Solaris, and all proposals were included in the initial competitive range, as technically unacceptable but susceptible to being made acceptable. Discussions were conducted, and revised proposals were received.

Solaris in its initial proposal offered to directly connect the RPC-1X and RPC-2X units without the use of a VME bus interface. The Navy asked Solaris how it proposed to comply with the solicitation requirement for a VME bus interface. In response, Solaris explained its proposed "hard wire," direct connection approach to connecting the units, but also offered, as an option, a "VME bus repeater/adaptor" interface, in the event that the agency concluded that Solaris's direct connection approach was unacceptable. The Navy informed Solaris that its "hard wire" approach was

⁴Because the distance between the VME buses of the RPC-1X and RPC-2X units results in a significant degradation of the VME bus electrical signal, the RFP requires a VME bus repeater or equivalent interface to boost the transmission signals.

unacceptable and that Solaris had failed to provide enough information to demonstrate the acceptability of its "optional" repeater/adaptor approach. Solaris then informed the Navy that it would provide a VME bus repeater/adaptor interface, which would be configured similarly to that utilized to interface the RSC-1X and RSC-2X units, use the required docking connector, and be in full conformance with the IEEE standard 1014.

After the two rounds of discussions,⁶ the Navy determined that the offerors' revised proposals were technically acceptable. Best and final offers (BAFO) were received, and Solaris's BAFO was determined to offer the lowest overall price, as follows:

| | Lot I | Lot II | Lot III | Total |
|-----------|-------------|-------------|-------------|--------------|
| Solaris | \$ 836,730 | \$8,603,300 | \$9,748,010 | \$19,099,040 |
| SAIC | \$1,560,286 | \$8,900,261 | \$9,013,543 | \$19,474,090 |
| Offeror A | \$1,101,000 | \$9,537,100 | \$8,942,600 | \$19,580,700 |

Award was made to Solaris, as the technically acceptable offeror with the lowest overall price. This protest followed.

SAIC protests that Solaris provided insufficient information to establish that Solaris would comply with the solicitation's mandatory requirements concerning the RPC-1X's and RPC-2X's VME bus interface. Specifically, SAIC argues that while Solaris promised to provide a "VME bus repeater/adaptor" for its required interface, it did not provide sufficient information demonstrating that the awardee recognized the technical problem associated with modifying commercial VME bus repeater circuit cards to function within the requirements specified for the RPC-1X/RPC-2X units. The problem, SAIC explains, is that available commercial-off-the-shelf (COTS) VME bus repeaters transmit data signals over more pins/conductors than are available for VME applications on the required Hypertronic docking connector. SAIC addressed this technical problem

⁵The RFP did not require that offerors identify the VME bus interface offered.

⁶SAIC's offer was also determined to be unacceptable after the first round of discussions.

⁷SAIC states that a COTS VME bus repeater would require a docking connector with 128 pins for VME applications while the Hypertronic connector specified by the RFP only allowed 100 pins for VME applications. The remaining pins of the Hypertronic connector are reserved for other functions.

in its proposal with the use of COTS VME bus repeaters, which would be modified to provide for multiplexing signals. Solaris did not propose a modified commercially available VME bus interface, and this demonstrated, in SAIC's view, that Solaris did not recognize the technical problem associated with the use of a COTS VME bus repeater.

In considering protests of a contracting agency's evaluation, we will not evaluate proposals anew and substitute our judgment for that of the agency, but will examine the record to determine whether the agency's judgment was reasonable and consistent with stated solicitation's criteria and applicable law or regulations. Abt Assoc., Inc., B-237060.2, Feb. 26, 1990, 90-1 CPD ¶ 223. Here, we conclude that the evaluation met this standard.

As the protester recognized in an affidavit of its project engineer and as confirmed in the hearing conducted by our Office, there are two basic technologies available to provide the required VME bus interface: VME bus repeaters and VME bus adapters. Hearing Transcript (Tr.) at 18-20. Both types of interfaces allow physically separate VME buses to work as one, and both would be acceptable to the Navy. Tr. at 18. The two types of interfaces are not designed, nor do they function, identically, although either will perform the required function of transmitting and boosting VME signals between separate VME buses. Tr. at 67. In this regard, a VME bus adapter circuit card includes repeater circuitry. Tr. at 22, 68-69. In addition, VME bus repeaters generally require the use of more pins/conductors for data transmission than do VME bus adapters. Tr. at 77-78.¹⁰ Also, generally, the VME bus interface provided by a VME bus repeater is accomplished by the circuit card alone while, in the context of the system requirements here, a VME bus adapter would require an adapter jumper cable and

⁸"Multiplexing" refers to the capability of different sets of data to be transmitted over a single data path.

⁹A hearing was conducted pursuant to 4 C.F.R. § 21.5 (1995) for the purpose of receiving testimony from the Navy's technical evaluation board chairman concerning the Navy's determination that Solaris's proposed VME bus interface was acceptable. The Navy's witness was also the designer of the solicited system and drafted the RFP's specifications. Tr. at 6-7, 23.

¹⁰The Navy's engineer testified that VME bus adapters typically do not require more than 50 to 75 pins/conductors for data transmission while VME bus repeaters typically require between 110 to as many as 140 pin/conductors. Tr. at 77-78.

device driver software to perform the necessary transmission functions. Tr. at 21, 22, 76, 80-81.

While SAIC assumes that Solaris in its final proposal revision offered to provide an unmodified, COTS VME bus repeater without recognizing the technical problem inherent in the offer of this type of VME bus interface,¹¹ the record shows that Solaris actually offered to provide a VME bus adapter. As noted above, a VME bus adapter does not require as many pin/conductors for data transmission as a VME bus repeater and, thus, does not present the same technical problem as that of the VME bus repeater nor require the same multiplexing solution.

The Navy concluded that Solaris's promise of a VME bus adapter, which would connect to the required Hypertronic connector, which would be fully compatible with and support the full integration of all existing VME circuit card assemblies, and which would comply with the requirements of IEEE standard 1014, would satisfy the solicitation requirements for an VME bus interface. This determination was based upon the Navy's knowledge of existing COTS VME bus adapters that would meet all the solicitation requirements, including the use of the Hypertronic connector, Tr. at 19, 22, 55, 68, as well as the requirements of IEEE standard 1014. Tr. at 106. Moreover, in the agency's view, VME bus adapters were a proven technology and the use of a VME bus adapter to satisfy the solicitation requirements was not difficult technically. Tr. at 21-22, 76, 89-90.

SAIC argues, however, for the first time in its hearing comments that Solaris's offer did not indicate whether it would provide a VME bus repeater or an adapter. While it is true that Solaris stated it would provide a "VME bus repeater/adapter" for the RPC-1X workstation, this argument ignores the fact that Solaris also stated it would provide a "VME bus adapter" for the corresponding VME interface card in the RPC-2X unit. As the protester recognized in an affidavit submitted to our Office, matching VME interface cards are installed in the workstation and the expansion unit. See also Tr. at 94-95. Given that VME bus adapters necessarily include repeater circuitry and that Solaris offered a VME bus adapter for the RPC-2X expansion unit, we agree with the Navy and Solaris that Solaris's reference to a VME bus repeater/adapter could only indicate that Solaris had offered a VME bus adapter for its required VME bus interface.

¹¹Under the protective order issued in this case, SAIC's counsel had access to the relevant portions of Solaris's proposal and the agency's evaluation documents.

Nevertheless, SAIC argues in its hearing comments that even if Solaris offered a VME bus adapter as its interface solution, Solaris did not specifically state that it would provide adapter cables or software device drivers. SAIC also argues that the use of an adapter cable to connect to the Hypertronic connector might violate the solicitation requirement that pin assignments be identical to those of cables used in the RSC-1X workstations.

It is true that Solaris's proposal did not specifically state that it would provide adapter cables or device driver software for its proposed VME bus adapter, but there is no suggestion in the record that Solaris will not provide adapter cables and software necessary to enable its proposed VME interface to satisfy the solicitation requirements. The RFP set forth lengthy and detailed specifications for a complex computer system and required that offerors provide sufficient information to demonstrate that its proposed system would satisfy the solicitation requirements. There was no requirement that offerors address in detail every aspect of what was required to satisfy the RFP's requirements. Thus, during this procurement the Navy accepted statements of compliance concerning some aspect of the specifications from each of the offerors, including SAIC.

Here, the agency reasonably found Solaris's proposal would satisfy the RFP requirements with its VME bus adapter solution. A contracting agency is responsible for evaluating the data submitted by an offeror and ascertaining if it provides sufficient information to determine the acceptability of the offeror's item; we will not disturb this technical determination unless it is shown to be unreasonable. Inframetrics, Inc., B-257400, Sept. 30, 1994, 94-2 CPD ¶ 138.

Specifically, the agency concluded that providing a compliant VME bus adapter as the interface would necessarily include providing the compliant adapter cables and software required to make this interface operate in accordance with the specifications. This conclusion was based upon Solaris's representation that it would comply with the requirements of IEEE standard 1014,¹² Tr. at 106, as well

¹²The Navy's engineer testified at the hearing that:

"[IEEE standard 1014] essentially defines in its basic form, the way we're using it here, what the interface characteristics are, what the signals are, what the voltage of the signals are, what they represent, what function they perform, what
(continued...)

as the Navy's market knowledge that COTS technology existed that would satisfy the VME bus interface requirements, that this technology was not unproven, and that it would not be unduly difficult to integrate a COTS VME bus adapter in the proposed system under the stated requirements. Tr. at 19, 21-22, 55, 76, 68, 89-90. Indeed, the Navy's engineer testified that he was "not aware of any VME bus adapter that would not meet the requirement[s] of the contract." Tr. at 68. In this regard, the record establishes that it is neither difficult nor expensive to provide for an adapter cable that would connect a VME bus adapter to the Hypertronic connector. Tr. at 91, 102-105.¹³ We also find from the record, including an affidavit submitted by the protester's project engineer, that the VME bus adapter's need for device driver software was a matter of industry knowledge.¹⁴ See Tr. at 21, 67, 75-76. While Solaris did not explain how it would integrate its VME bus adapter with the adapter cables and device driver software, Solaris offered an interface technology which the agency recognized

¹²(...continued)

the timing characteristics are, and so forth. And it defines a way that everyone can build a card essentially so that you can build a VME bus card that would plug into a VME bus and have the right signals, use the right commands, look at the right handshake lines, use the right type of interrupt structures on the bus for interrupt/acknowledge signals or bus grant signals. So you could at least define a compliant product so that any VME bus card, if it met the specification, can essentially talk to any other VME bus card if they are on the same bus." Tr. at 106.

¹³SAIC argues in its comments that the Navy engineer had testified that the cost of developing alternate cables would be approximately \$140,000. There is no support for this argument in the hearing transcript or in the record. Indeed, the Navy engineer actually testified that the cost of developing and providing alternate cables would be minimal, which he estimated based upon the \$140,000 cost of a government man-year in his organization. Tr. at 92, 102-103.

¹⁴SAIC itself recognized in a submission explaining why SAIC did not offer a VME bus adapter solution for the required interface that a VME bus adapter would require device driver software. While SAIC apparently believes that a VME bus repeater would be a lower risk solution, the RFP did not provide for the evaluation of the relative merits of proposals, but for award to the offeror with the lowest priced, technically acceptable offer.

was proven and would meet the solicitation requirements. Under the circumstances presented here, we think the agency reasonably concluded that Solaris had provided sufficient information to demonstrate the acceptability of its proposed VME bus interface solution. See Inframetrics, Inc., supra.

SAIC next protests that Solaris only offered a VME bus adapter after repeated coaching by the Navy and that this amounted to technical leveling prohibited by Federal Acquisition Regulation (FAR) § 15.610(d). Technical leveling occurs when the agency through successive rounds of discussions, helps to bring a proposal up to the level of another proposal by pointing out weaknesses that remain in the proposal due to an offeror's lack of diligence, competence, or inventiveness after having been given an opportunity to correct them. FAR § 15.610(d); Price Waterhouse, B-222562, Aug. 18, 1986, 86-2 CPD ¶ 190. In our view, the agency did not engage in impermissible technical leveling here.

The record shows that the discussions conducted by the agency with Solaris were not due to Solaris's lack of diligence, competence, or inventiveness. To the contrary, the agency's initial discussions with Solaris were for the purpose of discussing Solaris's "hard wire" approach; in response to this inquiry from the agency Solaris explained its initial approach and also offered the VME bus adapter as an optional approach. In the second round of discussions, the agency informed Solaris that its "hard wire" approach was not acceptable, but the VME bus adapter could be acceptable if Solaris provided more information. In response, Solaris indicated that its proposed VME bus adapter would use the required docking connector and satisfy IEEE standard 1014. We note that SAIC's proposal was also unacceptable after the first round of discussions and required further discussions to be found acceptable. Since it is clear from the record that Solaris was aware of the VME bus interface requirement and was prepared to offer a VME bus adapter in the event its alternate "hard wire" approach was unacceptable and considering the successive rounds of discussions SAIC received for its proposal to be found acceptable, we fail to see how Solaris was "coached" to achieve the level of SAIC's offer. Instead, we find that the discussions conducted with Solaris and SAIC were consistent with the agency's obligation to conduct meaningful discussions with competitive range offerors. See ICS Sys. Integration Div., B-252143, June 2, 1993, 93-1 CPD ¶ 417.

SAIC next protests that the Navy failed to evaluate the firms' offers on an equal basis. Specifically, SAIC complains that during discussions the Navy informed SAIC that it must price the contract line items (CLIN) for the

production quantities of the RPC-1X and RPC-2X units as "stand-alone" items, rather than merely as hardware upgrades that could later be incorporated into RPC-1X and RPC-2X units.¹⁵ SAIC complains that pricing these CLINs as stand-alone units substantially increased its price and that Solaris may not have priced the same CLINs as stand-alone units.

SAIC's arguments concerning the possibly different pricing of these CLINs by Solaris are without merit. First, the only reasonable interpretation of the section B schedule of supplies or services is that the CLINs in question here were for stand-alone workstations and units. The contractor is required to provide first articles of a RPC-1X workstation and a RPC-2X expansion unit; SAIC does not contend that these CLINs were not for stand-alone units. The CLINs for the production quantities of the RPC-1X/RPC-2X units require the contractor to deliver an item that is "identical to the approved first article;" a stand-alone workstation or expansion unit is what would be identical to the approved first article.

In any event, the agency assured itself during discussions that Solaris and the other offeror understood that the CLINs for the production quantities of the RPC-1X and RPC-2X units were for stand-alone units. Solaris informed the agency that it understood this, and Solaris's prices for these CLINs and for the stand-alone first articles are consistent with Solaris's representation that the production quantity CLINs were priced as stand-alone units.

SAIC also protests that the agency improperly did not assess the technical risk inherent in Solaris's prices for the RPC-1X workstations, where Solaris's prices for these units were much lower than SAIC's prices. In SAIC's view, SAIC, as the incumbent contractor for the existing RSC-1X/RSC-2X units, should be able to produce the RPC-1X unit at a much lower price than Solaris. SAIC argues that since the RFP did not provide for the evaluation of an offeror's understanding of the solicitation requirements, the agency was required to assess any risk arising from an offeror's unreasonably low price.

Where, as here, a fixed-price contract is contemplated and there are no stated criteria for a cost/price realism analysis or the evaluation of an offeror's understanding, a

¹⁵The Navy's initial discussions with SAIC concerned whether SAIC's prices were materially unbalanced; during these discussions the Navy learned that SAIC had not priced the CLINs for production quantities of the RPC-1X and RPC-2X units as stand-alone units.

protester's claim that another offeror has submitted an unreasonably low price is not a valid basis for protest. See ENCORP Int'l. Inc., B-258829, Feb. 21, 1995, 95-1 CPD ¶ ____; Ball Tech. Prods. Group, B-224394, Oct. 17, 1986, 86-2 CPD ¶ 465. The reasonableness of an offeror's low price or the offeror's ability and capacity to perform at the price proposed concerns the offeror's responsibility. Envirosol. Inc., B-254223, Dec. 2, 1993, 93-2 CPD ¶ 295. We will not review an agency's affirmative determination of an offeror's responsibility absent a showing that such determination was made fraudulently or in bad faith on the part of procurement officials, or that definitive responsibility criteria in the solicitation were not met. 4 C.F.R. § 21.3(m)(5). No such showing has been made here.

SAIC finally protests that award to Solaris was improper because the Navy knew that Solaris intended to violate the contract cost principles and procedures of FAR Part 31 and the cost accounting standards (CAS) as set forth at 48 C.F.R. Chapter 99 (1994). Specifically, SAIC argues that during discussions Solaris informed the Navy that the awardee's first article prices did not include Solaris's non-recurring costs associated with development of the first articles; rather, Solaris stated that it would use its corporate "independent research and development" (IRD) funds to provide for these non-recurring costs.¹⁶ SAIC contends that under the FAR Part 31 cost principles a direct cost, such as the development of first articles under this contract, cannot be treated as an IRD indirect cost. SAIC also alleges that Solaris is a CAS-covered contractor and that Solaris's proposed accounting treatment of these costs also violates CAS.

Contrary to the protester's arguments, CAS and the contract accounting principles of FAR Part 31 do not require an offeror's proposed fixed prices to encompass estimated performance costs. See MVM, Inc.; Burns Int'l Sec. Servs., 73 Comp. Gen. 124 (1994), 94-1 CPD ¶ 279. The CAS requirements and contract accounting principles establish rules for the consistent accumulation and reporting of cost data, and do not require that a contractor base its fixed prices upon any particular allocation of costs. Id. In this regard, FAR § 31.102, in describing the applicability of contract cost principles to fixed-price contracts provides that:

¹⁶In an affidavit submitted to our Office, Solaris states "Solaris has made the strategic decision to invest its own funds in developing the technology."

¹⁷The record shows that Solaris, a small business, is not a CAS-covered contractor.

"[even where parts of FAR Part 31 are applicable to a fixed-price procurement] application of cost principles to fixed-price contracts and subcontracts shall not be construed as a requirement to negotiate agreements on individual items of cost in arriving at agreement on the total price. The final price accepted by the parties reflects an agreement only on the total price. Further, notwithstanding the mandatory use of cost principles, the objective will continue to be to negotiate prices that are fair and reasonable, cost and other factors considered."

Evaluation of cost data can aid an agency in assessing the reasonableness of an offeror's proposed prices; however, such an evaluation does not provide a basis to challenge fixed prices as unreasonably low or as being below cost; rather that assessment, as noted above, concerns a firm's responsibility. See ENCORP Int'l. Inc., supra. Furthermore, to the extent that SAIC suggests that Solaris may attempt to recoup direct costs of this contract indirectly from the government under other contracts, this concerns a matter of contract administration that our Office does not review under our bid protest function. 4 C.F.R. § 21.3(m)(1).

The protest is denied.

Robert P. Murphy
General Counsel