Decision

Matter of: SGT, Inc.

File: B-405736; B-405736.2

Date: December 27, 2011


DIGEST

1. Protest that agency misevaluated awardee’s proposal is denied where record shows that agency’s evaluation was reasonable and consistent with the solicitation’s evaluation scheme.

2. Protest that agency disparately evaluated awardee’s and protester’s proposals is denied where record shows that there were legitimate reasons to distinguish between the proposals.

3. Protest alleging that agency’s source selection decision was improper is denied where record shows that agency performed a thorough, integrated assessment of the comparative merits of protester’s and awardee’s proposals and identified a reasonable basis for its award decision.

DECISION

SGT, Inc., of Greenbelt, Maryland, protests the award of a contract to Honeywell Technology Solutions, Inc., of Columbia, Maryland, under request for proposals (RFP) No. NNG10315881R, issued by the National Aeronautics and Space Administration (NASA) for ground systems and mission operations services at Goddard Space Flight Center. SGT maintains that the agency misevaluated proposals and made an unreasonable source selection decision.
We deny the protest.

BACKGROUND

The solicitation contemplated the award, on a “best value” basis, of a cost-plus-award-fee, indefinite-delivery, indefinite-quantity contract for a five-year ordering period. RFP at BATES 170.\(^1\) Firms were advised that the agency would consider mission suitability, cost and past performance in the evaluation of proposals, with cost deemed significantly less important than mission suitability and past performance combined, and with the factors individually ranked as follows: mission suitability; cost; and past performance. RFP at BATES 302. Within the mission suitability factor, the RFP advised that there were four subfactors that would be scored using a specified number of points for each subfactor as follows: technical approach to performance of key requirements (worth up to 375 points); representative task order (RTO) (worth up to 125 points); management plan (worth up to 400 points); and small business utilization (worth up to 100 points) for a total of up to 1,000 points. RFP at BATES 309.\(^2\)

For purposes of evaluating past performance, the RFP advised that the agency would consider how recent and relevant the offerors’ past performance references were, and advised that the agency would assign proposals adjectival level of confidence ratings of either very high, high, moderate, low, very low or neutral. RFP at BATES 310-314; see also, NFS § 1815.305.

For cost evaluation purposes, the RFP advised that the agency would evaluate proposals for realism and reasonableness. RFP at BATES 309. Offerors were to furnish cost information in two different forms. First, offerors were to propose overall contract cost (calculated using a government pricing model included in the

\(^1\) The record in this case is BATES numbered.

\(^2\) In performing the evaluation, NASA, using procedures outlined in NASA Federal Acquisition Regulation (FAR) Supplement (NFS) § 1815.305 assigned proposals an adjectival rating for each subfactor that also corresponded to a percentile range (for example an adjectival rating of excellent corresponded to a percentile range of 91-100 percent); then assigned a specific percentage rating (for example 93 percent); and then multiplied the available points for each subfactor by the percentage rating to arrive at the final point scores for each subfactor (for example, 93 percent multiplied by the 375 points available for the technical approach to performance of key requirements subfactor for a final numeric score of 348.75 points). The adjectival ratings and corresponding percentile ranges were: excellent (91-100 percent); very good (71-90 percent); good (51-70 percent); fair (31-50 percent); and poor (0-30 percent). See NFS § 1815.305.
solicitation) which would be evaluated for realism and reasonableness; the results of that evaluation would be presented to the source selection authority. RFP at BATES 310. Offerors also were required to prepare a cost proposal in responding to the RTO; the cost proposal was to be subject to a resource realism analysis and used in connection with the evaluation of proposals under the mission suitability factor, but the amount proposed for the RTO would not be presented to the source selection authority. Id.

In response to the solicitation, the agency received three proposals. After performing an initial evaluation, the agency determined that two proposals--those of Honeywell and SGT--were within the competitive range. The agency then engaged in discussions with the two offerors and obtained final proposal revisions (FPR) from the two firms. After evaluating the FPRs, the agency assigned the following ratings to the proposals:

<table>
<thead>
<tr>
<th>Mission Suitability</th>
<th>Honeywell</th>
<th>SGT</th>
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<tbody>
<tr>
<td>Subfactor</td>
<td>Available Points</td>
<td>Adj.</td>
</tr>
<tr>
<td>Tech. Approach</td>
<td>375</td>
<td>E</td>
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<tr>
<td>RTO</td>
<td>125</td>
<td>G</td>
</tr>
<tr>
<td>Mgmt. Plan</td>
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<td>E</td>
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<tr>
<td>Past Performance</td>
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<tr>
<td>Probable Cost</td>
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<td>$257,733,620</td>
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Agency Report (AR), exh. 78, at BATES 16724; exh. 81, at BATES 17329, 17342. In addition to the scores assigned to the proposals, the evaluators prepared extensive narrative materials that detailed the strengths and weaknesses identified in each proposal. AR, exhs. 78, 81. All of these materials were presented to the agency’s source selection authority (SSA).

After reviewing the evaluators’ findings and scores, the SSA determined that the proposal of Honeywell offered the best value to the government. In reaching his conclusion, the SSA recognized that the numeric scores for the two proposals under the mission suitability factor were nearly identical; he nonetheless concluded that the proposal submitted by Honeywell was superior to the SGT proposal under the
mission suitability factor. The SSA also concluded that, notwithstanding the fact that the proposals both had been assigned the same adjectival rating for past performance, Honeywell nonetheless had an “edge” under the past performance factor. AR, exh. 82, at 9, 12. On the basis of these considerations, the SSA selected Honeywell for award, concluding that the superiority of the Honeywell proposal outweighed the approximately $33.4 million evaluated cost advantage enjoyed by SGT.

After being advised of the agency’s source selection decision, SGT requested and received a debriefing from the agency. After being debriefed, SGT brought several concerns to the agency’s attention. In particular, it raised a concern relating to the agency’s finding of a weakness in the SGT proposal in the area of flight dynamics integration (an area where, in comparison, the Honeywell proposal had been assigned a significant strength); a concern relating to the fact that the agency selected Honeywell notwithstanding that SGT had been rated superior for the RTO; a concern relating to the agency’s cost comparison of the two proposals; and a concern relating to the agency’s evaluation of Honeywell under the past performance factor.

After being advised of SGT’s concerns, the agency agreed to hold SGT’s debriefing open pending a review of the matters raised. After performing its review, NASA ultimately concluded that it improperly had assigned a weakness to the SGT proposal in the area of flight dynamics integration. Accordingly, the agency revised the scoring and narrative materials for the SGT proposal to eliminate the weakness and to assign its proposal an additional 3.75 points under the technical approach to performance of key requirements subfactor. The agency’s revised evaluation findings were presented to the SSA, AR, exh. 86, who in turn prepared an addendum to his original source selection statement. AR, exh. 87. The SSA concluded that, even with the elimination of the weakness assigned to the SGT proposal, the Honeywell proposal continued to offer the best value to the government. After being advised of the agency’s decision, SGT filed this protest.

PROTEST

SGT has raised a large number of protest allegations relating to the agency’s evaluation of proposals and the source selection decision. We note at the outset that, in considering protests relating to an agency’s evaluation of proposals, we do not independently evaluate proposals; rather we review the agency’s evaluation to ensure that it is consistent with the terms of the solicitation and applicable statutes and regulations. SOS Int’l, Ltd., B-402558.3, B-402558.9, June 3, 2010, 2010 CPD ¶ 131 at 2. With regard to source selection decisions, agencies enjoy discretion in making cost/technical tradeoffs where the solicitation provides for the award of a contract on a best value basis; the agency’s selection decision is governed only by the test of rationality and consistency with the solicitation’s stated evaluation.

We have carefully considered all of SGT’s arguments and find them to be without merit. We discuss SGT’s principal contentions—with illustrative examples—below.

Evaluation of the Honeywell Proposal

SGT asserts that the agency improperly failed to identify a deficiency in the Honeywell proposal in an area relating to the provision of software. Under the terms of the RFP the contractor is required to have a capability maturity model integration for development (CMMI-DEV) maturity or capability level rating of at least 2. RFP section E.2. The Honeywell proposal represented that the firm did not currently have a CMMI-DEV level 2 rating, but that it would [deleted], and would obtain the appropriate rating within the first year of contract performance. AR, exh. 54, at BATES 12974.

SGT asserts that the agency should have assigned the Honeywell proposal a deficiency because the firm currently lacks the required CMMI-DEV rating and it has not been granted an exception to the requirement by NASA. According to the protester, this amounts to a failure to meet a material solicitation requirement.

We find no merit to this aspect of SGT’s protest. As an initial matter, nothing in the RFP required offerors to possess the applicable CMMI-DEV capability at any particular point in time. The RFP instructions required only that offerors include in their proposals a quality assurance plan, and that the plan: “Describe the relationship to any other corporate process initiatives (e.g., Capability Maturity Model Integration (CMMI)) that are planned or currently underway.” RFP at BATES 280.

3 SGT also challenges the agency’s evaluation of the Honeywell proposal under the past performance factor and maintains that the agency improperly assigned the Honeywell proposal a significant strength in the area of flight dynamics integration. We have considered these aspects SGT’s protest and find them to be without merit.

4 Specific CMMI-DEV ratings are a NASA requirement for vendors that provide software to the agency, and, as is pertinent here, for purposes of this requirement, a CMMI-DEV capability/maturity rating of 2 is required because the agency will be acquiring class B software. These CMMI-DEV requirements are embodied in NASA Procedural Requirement (NPR) 7150.2. AR, exh. 89, at BATES 18560-18614. The CMMI-DEV ratings are assigned based on a concern’s demonstrated ability to meet various best practices and processes in connection with their software engineering capabilities and are designed to ensure that all software provided to the agency meets stringent requirements relating to quality, safety and reliability.

5 [deleted].
The RFP’s inspection and acceptance provisions discuss the CMMI-DEV requirement, but only in terms of a requirement to be met by the contractor, not the offeror. Moreover, the provision expressly contemplates the possibility that the contractor would need to obtain the appropriate CMMI-DEV rating and provides:

Per NPR 7150.2, the Contractor shall put forth a plan for their approach to achieving CMMI Maturity or Capability Level 2 Rating or higher for software or have a non-expired Capability Maturity Model Integration for Development (CMMI-DEV) rating as measured by a Software Engineering Institute (SEI) authorized or certified lead appraiser . . . .

RFP at BATES 7692. Thus, there was nothing in the RFP that required offerors to demonstrate that they possessed a CMMI-DEV rating before contract award, and the RFP also expressly contemplated, as a matter of contract administration, that the contractor either would need to possess the appropriate CMMI-DEV rating or have a plan for obtaining it.

The record also shows that the agency carefully evaluated the Honeywell quality assurance plan. As part of that plan, Honeywell’s proposal included a detailed plan for how it would obtain the appropriate CMMI-DEV rating, and the evaluators essentially had no concerns with the plan, except insofar as it failed to provide an adequate level of detail for [deleted]. The evaluators assigned the Honeywell proposal a weakness for this reason, finding that:

Team Honeywell did not provide details regarding the [deleted], therefore it is not clear that [deleted]. Team Honeywell did not address the inherent risks associated with this approach in their FPR. Thus the plan did not provide enough details for the Government to obtain confidence that this plan would enable Team Honeywell to perform the GSMO [ground systems and mission operations] contract requirements. The risk associated with the proposed approach is a flaw in the proposal that increases the risk of unsuccessful contract performance.

AR, exh. 78, at BATES 16798. The SSA, in turn also considered this weakness in his source selection decision. While agreeing that this amounted to a weakness in the Honeywell proposal, he was not as concerned as the evaluators, characterizing it as a relatively minor risk to contract performance that was offset by other strengths in the Honeywell proposal. AR, exh. 82, at BATES 17364.

In sum, the record shows that there was no RFP requirement for offerors to possess the appropriate CMMI-DEV rating at any particular time or as a condition of award. Honeywell’s proposal provided for a largely acceptable plan that would enable it to obtain the appropriate rating but there was a minor concern about [deleted] while
Honeywell achieved the rating. Both the evaluators and the SSA were aware of the weakness and fully considered it in the evaluation and source selection. On this record we have no basis to object to the agency’s evaluation, or to find that NASA improperly failed to assign a deficiency for this aspect of the Honeywell proposal. We therefore deny this aspect of SGT’s protest.

Alleged Disparate Evaluation

SGT asserts that the agency evaluated proposals disparately, assigning strengths to the Honeywell--but not SGT--proposal and by the SSA unreasonably discounting a strength that the source evaluation board (SEB) had identified in the SGT proposal.

We find no merit to this aspect of SGT’s protest. We have reviewed all of SGT’s allegations regarding the agency’s alleged disparate treatment and find that these contentions amount to no more than disagreement with the agency’s evaluation conclusions. Such disagreement, without more, does not provide a basis for our Office to object to the agency’s evaluation. **OPTIMUS Corp.**, B-400777, Jan. 26, 2009, 2009 CPD ¶ 33 at 6.

For example, SGT asserts that its proposal in the area of anomaly response was similar to the awardee’s proposal and therefore should have merited a similar strength. The record shows, however, that the evaluators assigned a strength to the Honeywell proposal in this area because of the thorough, in-depth nature of its response, and because it [deleted]; the evaluators concluded that this detailed lower level list of activities would be important to the timely response and recovery from an anomaly. AR, exh. 78, at BATES 16748-49.

SGT cites to various portions of its proposal in its attempt to demonstrate that it was similar in its level of detail compared to the Honeywell proposal. However, as the agency points out, the SGT proposal simply is not as detailed as the Honeywell proposal.

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6 In its protest, SGT alleges first that the agency treated the offerors disparately because the SEB and SSA allegedly assigned the Honeywell proposal--but not the SGT proposal--a strength for offering innovative methods, techniques and technologies. Second, SGT alleges that the agency improperly awarded the Honeywell proposal--but not the SGT proposal--a strength in the area of anomaly response. Third, SGT alleges that the SSA unreasonably discounted a strength found by the SEB in its proposal for offering to use a particular software product for spacecraft trending. We have considered all of SGT’s assertions and find them to be without merit. Finally, SGT alleged that the SEB treated offerors unequally in its evaluation of their respective approaches to testing methodologies; SGT subsequently withdrew this allegation. Protester’s Comments on the Supplemental Agency Report, Nov. 17, 2011, at 5.
proposal (for example, the SGT proposal fails to make any mention of two out of three NASA anomaly-related procedural guidelines), and the SGT discussion relating to anomaly response is scattered throughout its proposal rather than being cohesively presented in a portion of its proposal devoted to anomaly response. Offerors are responsible for submitting an adequately written proposal and agencies are not required to piece together disparate parts of a firm’s proposal to determine its contents. James Constr., B-402429, April 21, 2010, 2010 CPD ¶ 98 at 4-5. In sum, we have no basis to conclude that the agency evaluated proposals disparately, as suggested by SGT. We therefore deny this aspect of its protest.

Cost/Technical Tradeoff

SGT raises several issues in connection with the agency’s source selection decision. We note at the outset that SGT consistently characterizes its proposal as technically superior and lower in cost. The basis for its characterization is the fact that its proposal received a slightly higher total numeric score under the mission suitability factor (922 points for SGT’s proposal versus 917.5 points for Honeywell’s proposal). The record shows, however, that this is not how the agency viewed the proposals. The SEB did not rank the proposals and the SSA specifically concluded that the Honeywell proposal was technically superior under the mission suitability factor, stating:

Accordingly, I closely examined the content and details associated with the findings for each Offeror and concluded that the SEB’s assigned Mission Suitability total scores did not reflect the relative differences in the quality of the mission suitability proposals. In my judgment, the Honeywell mission suitability proposal offered various benefits and advantages to the Government that made it superior to the SGT mission suitability proposal.

AR, exh. 82, at BATES 17362. Inasmuch as the SSA provided a detailed explanation for his finding based on the underlying proposal strengths and weaknesses, the fact that the SGT proposal received a slightly higher total numeric score is immaterial; point scores are merely guides for intelligent decision making. Precision Mold & Tool, B-400452.4, B-400452.5, Apr. 14, 2009, 2009 CPD ¶ 84 at 5.

Turning to SGT’s particular challenges to the source selection, the protester maintains that the SSA improperly identified two cost performance risks associated with the SGT proposal. First, in making his source selection decision the SSA noted that the SGT proposal included lower management and administration (M&A) costs compared to the Honeywell proposal. The SSA expressed the view, based on a comparison of M&A costs between SGT and Honeywell (who currently is the incumbent contractor), that there was some risk that SGT’s M&A costs could end up somewhat higher than its proposed costs. AR, exh. 82, at BATES 17364. Second, the SSA observed that, because SGT had proposed a very high incumbent
personnel capture rate and intended to accomplish its strategy by matching incumbent base salaries, there was a risk that its proposed direct labor cost advantage (Honeywell’s direct labor cost was somewhat higher) might not be realized. Id. For the record, the SSA also made a similar observation regarding a possible cost risk associated with Honeywell’s proposed indirect rates. Despite this concern, the SSA ultimately concluded, based on the results of an audit performed on the Honeywell indirect rates for its incumbent contract, that he had more confidence in the Honeywell proposed rates. Id. at BATES 17364-65.

SGT asserts that these observations by the SSA were improper and inconsistent with the results of the agency’s cost realism evaluation. In particular, SGT notes that the agency made no significant upward adjustments to SGT’s cost proposal in these two areas when performing its most probable cost analysis. The protester therefore maintains that there was no basis for the SSA’s observations, and that they effectively detracted from the evaluated cost advantage that it enjoyed.

We find no merit to this aspect of SGT’s protest. The record shows that the SSA specifically concluded that both proposals were realistic and had been appropriately evaluated. The SSA’s decision specifically states:

In the Cost Factor, SGT had a moderately lower proposed and probable cost than Honeywell. Both offerors provided realistic cost proposals resulting in no probable cost adjustments to the Honeywell proposal and only minor probable cost adjustments to SGT’s proposal. SGT’s cost adjustments included a minor cost adjustment increase that was added after the original meeting on July 5, 2011, when the SEB discovered an inconsistency between SGTs proposed labor categories in years four and five in comparison to the RFP position description qualification requirements for those categories. I did not consider the SGT cost adjustments to be significant and they did not impact my selection decision.

AR, exh. 82, at BATES 17364. Additionally, the SSA’s cost/technical tradeoff was specifically based on the offerors’ proposed and probable costs, and the SSA found that the technical superiority of the Honeywell proposal was worth the cost premium associated with it:

Ultimately, I conclude the technical advantages of Honeywell’s proposal, and Honeywell’s edge in past performance, outweigh the moderate proposed and probable cost advantage offered by SGT’s proposal. Given the criticality of Goddard-operated spacecraft to achieving NASA’s mission through the accumulation of scientific data, the Significant benefits of Honeywell’s technical approach and edge in past performance are worth the moderate additional costs because
they provide greater assurance that NASA’s missions will be accomplished safely and successfully.

Id. at BATES 17365. Thus, while the SSA did make reference to two risks that he considered were possible areas for cost growth beyond SGT’s proposed cost (as well as a potential cost risk associated with the Honeywell proposal), the record shows that, in the final analysis, these considerations were not factored into the SSA’s tradeoff decision. We therefore deny this aspect of SGT’s protest.

SGT asserts that the SSA gave inordinate weight to a significant strength assigned to the Honeywell proposal for flight dynamics integration. According to the protester, flight dynamics integration was identified in connection with only two of 28 key solicitation requirements. The protester therefore reasons that the SSA’s reliance on it as the key discriminator essentially amounted to a departure from the relative weights assigned to RFP’s evaluation criteria. In support of its position, SGT points out that, when the agency corrected its evaluation of the SGT proposal to eliminate the weakness it had identified for SGT in the area of flight dynamics integration, it only increased SGT’s point score by 3.75 points.

We find no merit to this aspect of SGT’s protest. First, and most importantly, there is a flaw in SGT’s underlying premise that identifying some proposal feature or element as a discriminator--even a significant discriminator--necessarily shows that the agency has changed the relative weighting of the evaluation factors. The mere fact that an agency’s source selection decision turns on an evaluation consideration that is designated as less important is unobjectionable since there is no requirement that the key award discriminator also be the most heavily weighted evaluation consideration. KIRA, Inc., B-287573.4, B-287573.5, Aug. 29, 2001, 2001 CPD ¶ 153 at 6.7

Second, although SGT characterizes Honeywell’s significant strength in the flight dynamics integration area as essentially the sole or paramount discriminator for award purposes, the record shows that, in fact, the SSA relied on an integrated assessment of all of the strengths and weaknesses identified in both proposals in arriving at his award decision. Under the technical approach to performance of key

7 Additionally, the point value assigned by the agency to the improperly identified weakness in the SGT proposal in the flight dynamics integration area does not demonstrate the absolute value of the strength identified in the Honeywell proposal in the same area. The essence of the evaluation is reflected in the evaluation record itself, not the point scores, and it is the SSA’s comparative assessment of all the relative strengths and weaknesses in both proposals, considered together in an integrated source selection decision, that must withstand the test of rationality and consistency with the evaluation scheme. Stateside Assocs., Inc., B-400670.2, B-400670.3, May 28, 2009, 2009 CPD ¶ 120 at 8-9.
requirements subfactor, although the SSA identified flight dynamics integration as one of the most significant discriminators in the mission suitability area, he also specifically relied on four other Honeywell strengths under this subfactor in making his selection decision. The SSA found these four strengths (along with Honeywell’s flight dynamics integration advantage) to be of relatively more value to the agency than the strengths identified in the SGT proposal under this subfactor. AR, exh. 82 at BATES 10362-63.

The SSA also specifically agreed with the SEB’s finding that the Honeywell proposal was technically superior to SGT’s proposal under the management subfactor. He expressly recognized SGT’s advantage under the RTO subfactor; he found the firms essentially equal under the small business utilization factor; and he found that, although both offerors received very high confidence level ratings, Honeywell, as the incumbent contractor, enjoyed an edge in the past performance area. AR, exh. 82, at BATES 17364-65. In summing up, the SSA stated:

In summary, I have concluded the technical advantages of Honeywell’s proposal coupled with Honeywell's edge in past performance outweigh the moderate proposed and probable cost advantage offered by SGT's proposal. In particular, I think that Honeywell's Significant Strength in Flight Dynamics Integration offers major performance benefits in comparison to SGT's weakness in this area. Additionally, Honeywell's Strengths in their technical approach (Subfactor A) offer more benefits than the SGT Strengths in the same area, as I discussed above. I also anticipate slightly lower risk in Honeywell’s phase-in approach since they already employ their proposed work force while SGT has proposed a slightly riskier approach that relies on successful incumbent capture. Honeywell’s significant and considerable margin of superiority in Subfactor A and advantage In Subfactor C more than offset SGT’s advantage in Subfactor B (the RTO). There was no meaningful difference between the Offerors in Subfactor D for small business utilization.

AR, exh. 82, at BATES 17365. We conclude that, although the agency obviously considered Honeywell’s significant strength in the flight dynamics integration area an

As noted, the agency ultimately removed the weakness assigned to the SGT proposal in the flight dynamics area. In the wake of that change to the evaluation results, the SSA executed an addendum to his source selection decision finding that, even with the elimination of the SGT weakness in this area, his conclusion remained that Honeywell’s significant strength in the area was a discriminator and that Honeywell offered a better overall Mission Suitability proposal for the remaining reasons identified in his original selection decision. AR, exh. 41, at BATES 17684-85.
important discriminator, the record shows that the source selection ultimately was based on an integrated and thorough assessment of the proposals in all areas that the RFP specified would be evaluated, and that the agency did not alter the weighting of the evaluation criteria in its award decision.

The protest is denied.

Lynn H. Gibson
General Counsel