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Comptroller General
of the United States

United States Government Accountability Office
Washington, DC 20548

Decision

Matter of: Lockheed Martin Integrated Systems, Inc.

File: B-408134.3; B-408134.5

Date: July 3, 2013

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DIGEST

1. Protest challenging the agency's evaluation of offerors' technical proposals is denied where the evaluation was reasonable and consistent with the stated evaluation criteria and adequately documented.

2. 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

Lockheed Martin Integrated Systems, Inc., of Bethesda, Maryland, protests the issuance of a task order to L-3 Services, Inc., of Reston, Virginia, under task order request (TOR) No. GSC-QF0B-12-0024, issued by the General Services Administration (GSA), Federal Systems Integration and Management Center, to procure, on behalf of the Department of the Army, Program Executive Office (PEO) Enterprise Information Systems (EIS), various information technology (IT) technical support services for Reserve Component Automation (RCA). Lockheed argues that the agency's technical evaluation and award decision were improper.[1]

We deny the protest.

BACKGROUND

The PEO EIS provides infrastructure and information management systems to the Army. The purpose of this procurement is to acquire performance-based IT technical support services associated with Army projects, programs, applications, and infrastructure services in support of the PEO EIS Project Directorate (PD) Reserve Component Automation Systems (RCAS) and the Army National Guard (ARNG) Distance Learning Project (DLP), Information Management Systems (IMS), and IT infrastructure integration and refresh (ITII&R) programs. In general terms, the statement of work required the contractor to provide all necessary labor, material, and supplies to sustain, deliver, test, and field applications and provide IT solutions consistent with PD RCAS and ARNG DLP, IMS, and ITII&R technical requirements. TOR, Statement of Work (SOW), §§ C.1, C.2.[2]

The TOR was issued to all contract holders under GSA's Alliant government-wide acquisition contract,[3] and provided for the issuance of a hybrid fixed-price/cost-plus-award-fee task order for a base year and four option years.[4] Firms were informed that the task order would be issued on a best value basis, considering the following factors: technical approach; key personnel and project staffing; management approach; past performance; and cost. The non-cost factors were listed in descending order of importance and, when combined, were significantly more important than cost. TOR §§ M.1, M.3

GSA received offers from nine firms, including L-3 and Lockheed, which were adjectivally evaluated by the agency's technical evaluation board (TEB). Technical proposals were evaluated as excellent, good, acceptable, or unacceptable and, with

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[1] While the solicitation was issued as a TOR utilizing the procedures set forth in Federal Acquisition Regulation (FAR) Subpart 16.5, the solicitation stated that it sought "proposals" from "offerors."

[2] Amendment 05 to the TOR included a conformed copy of the solicitation. All citations to the TOR are based on the conformed solicitation.

[3] The Alliant government-wide acquisition contract is a multiple-award, indefinite-delivery/indefinite-quantity (ID/IQ) contract for various information technology services.

[4] The SOW set forth a total of ten tasks, for each of which there was a fixed-price or cost-reimbursement contract line item.

regard to past performance, neutral. Cost proposals were separately evaluated, concurrent with the technical evaluation, to calculate an overall evaluated cost to the government for each offeror. L-3's and Lockheed's final proposals were evaluated as follows:

	L-3	Lockheed
Technical Approach	Excellent	Good
Key Personnel and Project Staffing	Excellent	Acceptable
Management Approach	Excellent	Excellent
Past Performance	Excellent	Good
Overall	Excellent	Good
Evaluated Cost	$362,008,060	$348,918,288

Agency Report (AR), Tab 16, TEB Consensus Report, at 25; Tab 17, Cost Analysis Report and Source Selection Decision, at 4, 16.

The TEB's adjectival ratings were supported by a narrative that detailed the proposals' respective strengths and weaknesses. The TEB identified a total of 20 strengths and 5 weaknesses in L-3's technical proposal, and 11 strengths and 17 weaknesses in Lockheed's technical proposal.[5] Id., Tab 16, TEB Consensus Report, at 45-55, 92-102. Similarly, the agency's cost evaluation was supported by a narrative that explained GSA's analysis of the offerors' proposed cost elements. Id., Tab 17, Cost Analysis Report and Source Selection Decision, at 11-27.

The contracting officer was the source selection authority (SSA) for the procurement, and he determined that L-3's proposal represented the best value to the government. Specifically, the SSA found that L-3's technical advantages under the technical approach, key personnel and project staffing, and past performance evaluation factors outweighed Lockheed's cost advantage. Id. at 28-40.

The task order was issued to L-3, and this protest followed a debriefing.

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[5] The TEB assigned strengths and weaknesses by evaluation factor. For example, under the technical approach factor (the most important non-cost factor), the evaluators found that L-3's proposal had 11 strengths and 4 weaknesses, while Lockheed's proposal had 5 strengths and 6 weaknesses. See AR, Tab 16, TEB Consensus Report, at 45-48, 92-97.

DISCUSSION

Lockheed challenges GSA's evaluation of Lockheed's and L-3's technical proposals (Lockheed does not challenge the agency's past performance evaluation), and the selection of L-3's higher-rated, higher-cost proposal.[6] We have considered all the protester's various issues and arguments, although we do not address them all here, and find no basis on which to sustain the protest.

Service Level Agreement (SLA)

Lockheed complains that the agency unequally and disparately evaluated the firms' technical proposals with respect to their proposed SLA metrics, on which the award fee would in part be based. In this regard, GSA noted L-3's proposed SLA as a strength, but not Lockheed's.[7] Lockheed contends that GSA unreasonably emphasized L-3's "stringent" SLA metrics while ignoring Lockheed's more stringent and comprehensive approach.

The task order competition here was conducted among ID/IQ contract holders pursuant to FAR Part 16. The evaluation of proposals in a task order competition, including the determination of the relative merits of proposals, is primarily a matter within the contracting agency's discretion, since the agency is responsible for defining its needs and the best method of accommodating them. Wyle Labs., Inc., B-407784, Feb. 19, 2013, 2013 CPD ¶ 63 at 6; Optimal Solutions & Techs., B-407467, B-407467.2, Jan. 4, 2013, 2013 CPD ¶ 20 at 6. Our Office will review evaluation challenges to task order procurements to ensure that the competition was conducted in accordance with the solicitation and applicable procurement laws and regulations. Logis-Tech, Inc., B-407687, Jan. 24, 2013, 2013 CPD ¶ 41 at 5; Bay Area Travel, Inc., et al., B-400442 et al., Nov. 5, 2008, 2009 CPD ¶ 65 at 9. A protester's mere disagreement with the agency's judgment is not sufficient to establish that an agency acted unreasonably. STG, Inc., B-405101.3 et al., Jan. 12, 2012, 2012 CPD ¶ 48 at 7.

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[6] Lockheed also protested the agency's cost realism analysis of L-3's proposal and argued that the agency overlooked L-3's failure to account for a significant portion of its cost and fee for the transition-in task. Protest, Apr. 1, 2013, at 33-35; Protest, May 13, 2013, at 26. We consider these arguments abandoned, since GSA provided a detailed response to the protester's assertions in its report (AR, May 2, 2013, at 38-42; AR, May 28, 2013, at 16-17), and Lockheed did not reply to the agency's response in its comments. See Citrus College; KEI Pearson, Inc., B-293543 et al., Apr. 9, 2004, 2004 CPD ¶ 104 at 8 n.4.

[7] Lockheed does not dispute any of the other 19 strengths identified by the agency evaluators in L-3's technical proposal. See Protest, May 13, 2013, at 16-28.

The firms were instructed to submit SLAs and performance metrics with their technical proposals, to include describing why proposed SLAs were selected and demonstrating the linkage of proposed SLA performance metrics to desired outcomes of TOR requirements. TOR § L.7.2.4. The solicitation stated that the agency would evaluate the degree to which an offeror's proposed SLAs and performance metrics were comprehensive, detailed, and relevant. In this regard, the offerors were informed that the proposed SLAs and performance metrics were expected to be clear and relevant to each SOW requirement and to link incentives and measures to the task order requirements. TOR § M.3.1.

L-3 proposed SLAs (AR, Tab 13, L-3 Technical Proposal, SLA, § 4.0) in 18 areas, with one or more performance metrics for each SLA area. For each of the SLAs, L-3 expressly identified why the SLA was selected and its linkage to desired TOR outcomes. Id. at 2-20. L-3 also categorized (i.e., management, cost, technical, operational) and weighted the relative importance of its SLAs by risk impact. Id.

The TEB assessed L-3's SLA approach as a strength, stating that:

> The offeror proposed 18 relevant, comprehensive, detailed, and effective SLAs. The offeror provided performance metrics for each of the proposed SLAs and described why its proposed SLAs were selected. The offeror showed the linkage of its proposed SLA performance metrics to the desired outcomes of TOR requirements. Most of the SLAs [were] tied to RCAS and IMS performance . . . . The offeror provided SLAs that were stringent, thus identifying confidence in its abilities to achieve effective and efficient delivery of services. L3 proposed four categories of SLAs (management, cost, technical, and operational). The offeror emphasized management, cost, and technical SLAs over operational SLAs. Schedule control, cost control, and software quality were the highest rated SLAs within the management, cost, and technical SLA categories.

AR, Tab 16, Consensus TEP Report, at 94-95.

Lockheed proposed 16 SLAs (AR, Tab 10, Lockheed Technical Proposal, SLA, § 2.4) that applied to one or more CPAF tasks.[8] Lockheed also provided a rationale

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[8] The firms had the discretion to propose the SLAs and metrics they believed appropriate. Accordingly, L-3 proposed some performance standards that Lockheed did not (e.g., transition task, surge support) and Lockheed proposed some SLAs that L-3 did not (e.g., service desk response time, training satisfaction). In other instances both firms proposed the same SLAs (e.g., cost control, schedule control, software quality). Also, both firms proposed performance metrics that applied to fixed-price tasks, which Lockheed, but not L-3, called SLAs.

for selection of its proposed SLAs, and linkage of proposed SLAs to desired outcomes of TOR requirements. Lockheed also categorized (i.e., management, cost, technical, operational) and weighted the relative importance of its SLAs.

The TEB found Lockheed's SLA approach to be sufficient but not to the assessment of a strength, stating as follows:

> The offeror's recommended SLAs were comprehensive in that they encompassed operational, technical, management, and cost aspects of the TOR. The offeror's proposed SLAs included a breakdown of 30% management, 25% operational, 25% technical, and 20% cost. The offeror's emphasis on management and cost (50% of the incentives) is equal to operational and technical (50% of the incentives). Since the preponderance of the work revolves around technical and operational requirements (i.e., software development and deployment), the Government's expectations were that a higher percentage would have been placed on operational and technical incentives.

AR, Tab 16, Consensus TEP Report, at 45-46.

The record here does not support Lockheed's argument that GSA unfairly evaluated the firms' SLA approaches. Rather, the record shows that the TEB reasonably evaluated L-3's SLA approach (including the number and type of SLAs, the metrics employed, the relative weighting, the rationale for their selection and linkage to desired outcomes) and found that, taken as a whole, the approach warranted a strength. Likewise, the record indicates that the TEB reasonably evaluated Lockheed's SLA approach (including the number and type of SLAs, the metrics employed, the relative weighting, the rationale for their selection and linkage to desired outcomes) and concluded that, taken as a whole, the approach did not warrant a strength. In each instance, the TEB analyzed the proposals against the solicitation's requirements, and the fact that the agency evaluators reached different conclusions regarding the proposals' relative merits does not establish that the evaluation was unreasonable.

Lockheed nevertheless contends that the TEB's evaluation of the firms' SLA approaches was disparate because some of Lockheed's SLA metrics were more stringent than those proposed by L-3.[9] Lockheed also complains that the evaluation

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[9] The protester points to two instances where its metrics were more stringent, but also acknowledges three instances where L-3's metrics were in fact more stringent, and alleges that in the remainder of instances the offerors' metrics were the same. Protest, May 13, 2013, at 20.

was unreasonable because it proposed more SLA metrics than did L-3, and made more of its total fee pool (base fee vs. award fee) subject to SLA metrics than did L-3. Protest, May 13, 2013, at 19-20. Additionally, while Lockheed does not dispute that L-3's total weighting of the operational and technical SLAs for RCAS core sustainment support (SOW Task 3) exceeded its own weighting (55% vs. 50%), it argues that the difference between the proposals (5%) was too slight to be meaningful.[10] Id. at 2, 7.

We disagree. In our view, Lockheed's disparate treatment arguments are mistakenly premised on an "apples and oranges" comparison of these proposals. First, there is no dispute here that L-3 proposed a greater number of more stringent SLAs than did Lockheed. See AR, Tab 10, Lockheed Technical Proposal, SLA, § 2.4, at 20-52, Tab 13, L-3 Technical Proposal, SLA, § 4.0, at 1-26. In addition, the fact that Lockheed proposed unique SLAs (that L-3 did not propose) does not mean those SLAs offered any tangible value to the government. Further, L-3's proposal included a detailed description of why each individual SLA was selected, and linked the SLA's performance metrics to the desired outcomes of TOR requirements. As a result, the record supports the reasonableness of the TEB's conclusion that L-3 excelled in establishing the nexus for its SLAs while Lockheed had not.[11] Furthermore, although Lockheed characterizes L-3's undisputed greater weighting of operational and technical SLAs as slight, this amounts to mere disagreement with the agency's judgment. Quite simply, the record does not indicate that the firms proposed the same SLA approaches. Rather, it indicates that L-3 and Lockheed proposed different approaches and reasonably received different ratings.

Lockheed Technical Evaluation

Lockheed also challenges 4 (of the 17) weaknesses evaluated in its proposal under the technical approach, key personnel and project staffing, and management approach evaluation factors.[12] Protest, May 13, 2013, at 19-21. We need not

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[10] Both L-3 and Lockheed placed equal emphasis on technical and operational SLAs (50% total) for IMS core sustainment support (SOW Task 9). AR, Tab 10, Lockheed Technical Proposal, SLAs, at 11; Tab 13, L-3 Technical Proposal, SLAs, at 22. The record shows, however, that Task 3 represented approximately 40% of total work requirements while Task 9 represented approximately 25% of total work requirements. See AR, Tab 13, L-3 Technical Proposal, Project Staffing Plan, at 52.

[11] The TEB did not consider the firms' cost proposals when evaluating their SLA approaches, and therefore had no knowledge of the total fee pool subject to a firm's SLA metrics.

[12] Lockheed does not dispute the remaining 13 weaknesses. Although the protester initially protested eight of these weaknesses, see Protest, Apr. 1, 2013, at 12-33, it (continued...)

decide, however, the merits of Lockheed's protest regarding whether the agency's evaluation was improper because we find that the protester has not demonstrated a reasonable possibility that it was prejudiced by any of the alleged errors. Competitive prejudice is an essential element of a viable protest; where the protester fails to demonstrate that, but for the agency's actions, it would have had a substantial chance of receiving the award, there is no basis for finding prejudice, and our Office will not sustain the protest. Joint Mgmt. & Tech. Servs., B-294229, B-294229.2, Sept. 22, 2004, 2004 CPD ¶ 208 at 7; see Statistica, Inc. v. Christopher, 102 F.3d 1577 (Fed. Cir. 1996).

In this regard, we note that Lockheed challenges only one of the six weaknesses assigned to its proposal under the technical approach factor (i.e., the offeror's approach lacked detail regarding the requirement to maintain training servers). We see no basis to conclude that the elimination of this one weakness would have resulted in a change in Lockheed's rating of good to the next-highest rating of excellent.[13]

Similarly, Lockheed challenges only two of the nine weaknesses assigned to its proposal under the key personnel and project staffing factor (i.e., the proposal failed to identify how the offeror derived its socio-economic objectives percentages, and the staffing plan failed to provide a rationale for 36 unallocated personnel). Again, we see no basis to conclude that the elimination of these two weaknesses--leaving seven others--would have resulted in a change in Lockheed's rating of acceptable to the next-highest rating of good.[14] Likewise, the elimination of one of the weakness which Lockheed challenges under the management approach factor (i.e., the proposed approach did not identify the requirement for the accounting of task order services) would not have affected the offeror's "excellent" rating here. In sum, the few weaknesses which Lockheed protests appear unlikely to have altered any of the company's individual factor ratings, or its overall technical rating.

Moreover, Lockheed has failed to demonstrate that these challenged weaknesses impacted the agency's cost/technical tradeoff decision. The record shows that the

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(...continued)
abandoned these challenges when it did not reply to the agency response to these challenges in its report, see AR, May 2, 2013, at 3-38.

[13] The record shows that even without the challenged weakness, Lockheed's proposal would have been assessed as having five strengths and five weaknesses, which supports the good rating assigned to its proposal.

[14] Given that Lockheed's proposal had only one strength assessed under the key personnel and project staffing factor, eliminating two of the evaluated nine weaknesses does not indicate that protester's proposal should receive better than an "acceptable" rating.

SSA made no mention of (nor placed any reliance on) the first three challenged weaknesses. Additionally, while the SSA noted Lockheed's fourth challenged weakness (i.e., the failure to identify the approach for accounting of task order services), the SSA also characterized the weakness as a minor one that could be mitigated post-award with little direction. AR, Tab 17, Cost Analysis Report and Source Selection Decision, at 33, 39. Given that there is no evidence the alleged errors would have altered the relative technical merit of the L-3 and Lockheed proposals or affected the agency's source selection determination, we see no reasonable basis to conclude that Lockheed was prejudiced in any way by these alleged errors in the agency's evaluation of technical proposals.

Source Selection Decision

Finally, Lockheed challenges the agency's cost/technical tradeoff decision. Specifically, Lockheed objects to the SSA's reliance on particular features in L-3's proposal (i.e., SLA approach, the number of Agile-trained[15] software developers, and transition manager), which the protester labels as the "key discriminators" between the offerors. Lockheed complains that, in each instance, the SSA credited L-3 while unreasonably failing to recognize that Lockheed had proposed similar features or commitments.[16] The protester argues that the SSA's reliance on such inaccurate information tainted the cost/technical tradeoff analysis and rendered the source selection decision unreasonable. Protest, May 13, 2013, at 2-16. We disagree.

Source selection decisions, including those, as here, involving task order competitions, must be reasonable and consistent with the solicitation's evaluation criteria and applicable procurement laws and regulations. NOVA Corp., B-408046, B-408046.2, June 4, 2013, 2013 CPD ¶ __ at 5; ACCESS Sys., Inc., B-400623.3, Mar. 4, 2009, 2009 CPD ¶ 56 at 7. Additionally, an agency's business judgments must be adequately documented, including the rationale for any cost/technical tradeoffs made and the benefits associated with the additional costs. FAR §§ 16.505(b)(1)(iv)(D), (b)(7)(i)); NOVA Corp., supra; see e-LYNXX Corp., B-292761, Dec. 3, 2003, 2003 CPD ¶ 219 at 8 (even for procurements conducted under simplified acquisition procedures, an agency must have a sufficient record to

[15] Agile software development is a methodology based on iterative and incremental development, where requirements and solutions evolve through collaboration between self-organizing, cross-functional teams. It promotes adaptive planning, evolutionary development and delivery, and encourages rapid and flexible response to change. See, e.g., http://agilemanifesto.org; http://www.agilealliance.org.

[16] Lockheed also contends that the SSA's cost/technical tradeoff decision unfairly emphasized the weaknesses identified in the protester's proposal while ignoring similar or more significant weaknesses assigned to L-3's proposal.

allow for a meaningful review). However, there is no need for extensive documentation of every consideration factored into a tradeoff decision, nor is there a requirement to quantify the tradeoffs when selecting a higher-cost, higher-rated proposal for award. FAR § 16.505(b)(7); Wyle Labs., Inc., supra, at 11. Rather, the documentation need only be sufficient to establish that the agency was aware of the relative merits and costs of the competing proposals and that the source selection was reasonably based. Wyle Labs., Inc., supra.

We find that the agency's source selection decision was reasonable and consistent with the solicitation's evaluation criteria, and documented in textbook fashion, i.e., the decision sets forth in extensive detail the SSA's rationale for the tradeoff between cost and non-cost considerations in making the award decision. As the record demonstrates here, the SSA reviewed the relative importance of the solicitation's evaluation criteria, recognized the relative strengths and weaknesses of the firms' proposals, and identified in his selection decision the numerous technical advantages offered by L-3. The SSA also detailed why he believed L-3's technical advantages outweighed the additional costs, and adequately documented the rationale for this cost/technical tradeoff. As the SSA stated, "L3 proposed the most comprehensive solution with the lowest risk . . . and the government is willing to pay a premium for L3's technical approach, experienced personnel, and overall superior technical solution." Id.

We specifically find no merit in Lockheed's allegation that the SSA's cost/technical tradeoff decision turned on three key (technical) discriminators. Rather, the record shows that the SSA relied on an integrated assessment of all of the strengths and weaknesses identified in the offerors' proposals--most of which Lockheed does not dispute--in arriving at his award decision. See SGT, Inc., B-405736, B-405736.2, Dec. 27, 2011, 2012 CPD ¶ 149 at 10-11. Quite simply, it was only the protester, and not the SSA, who elevated the importance of certain disputed advantages within L-3's proposal.[17] Since we conclude that Lockheed's challenges to the selection decision have no basis in the record, and since we conclude that the decision here

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[17] We also find no merit in the protester's assertion that the SSA's decision lacked evenhandedness because it failed to mention all of L-3's weaknesses. There is no requirement that an SSA restate each of an offeror's strengths or weaknesses when comparing proposals and making an award determination. See Marcola Meadows VA LLC, B-407078.2 et al., June 4, 2013, 2013 CPD ¶ __ at 10; TPL, Inc., B-297136.10, B-297136.11, June 29, 2006, 2006 CPD ¶ 104 at 13 n.12. To the extent the SSA mentioned more of Lockheed's weaknesses than L-3's, it was simply because there were more of them--17 as compared to 5. In the agency's view, Lockheed's weaknesses essentially offset its identified strengths under both the technical approach and key personnel and project staffing factors.

was both reasonable and well-documented, we deny Lockheed's challenge to the agency's cost/technical tradeoff decision.

The protest is denied.

Susan A. Poling
General Counsel