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Decision

Matter of: Sevenson Environmental Services, Inc.

File: B-412676; B-412676.2; B-412676.3

Date: May 6, 2016

Thomas L. McGovern III, Esq., Brendan M. Lill, Esq., and Stacy M. Hadeka, Esq., Hogan Lovells US LLP, for the protester.
Kenneth B. Weckstein, Esq., and Pamela A. Reynolds, Esq., Brown Rudnick LLP, for CB&I Federal Services LLC, the intervenor.
Irvin Gray, Esq., and David F. Innis, Esq., Department of the Army, Corps of Engineers, for the agency.
Charles W. Morrow, Esq., and Cherie J. Owen, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest challenging the evaluation of proposals and best-value determination is denied where the record shows that the agency reasonably evaluated the differences between the protester's and the awardee's proposals, and ultimately found the awardee's proposal to offer more technical advantages at a lower evaluated cost.

DECISION

Sevenson Environmental Services, Inc., of Niagara Falls, New York, protests the award of a task order to CB&I Federal Services LLC, of Alexandria, Virginia, under task order request for proposals (RFP) No. MATOCS-15-R-HO14, issued by the Department of the Army, Corps of Engineers (USACE) for environmental remediation services at the Welsbach/General Gas Mantle (Welsbach/GGM) superfund site.¹ Sevenson challenges the agency's evaluation of its proposal, the awardee's proposal, and the source-selection decision.

¹ The awarded value of the task order at issue exceeds \$10 million. Accordingly, this procurement is within our jurisdiction to hear protests related to the issuance of task orders valued in excess of this amount. See 10 U.S.C. § 2304c(e)(1)(B).

We deny the protest.

BACKGROUND

The Welsbach/GGM superfund site is a multi-property site located in Gloucester City and Camden, New Jersey, which consists of two former gas mantle manufacturing facilities, and several surrounding commercial/residential properties. RFP at 4. In the early 1900s, both Welsbach and GGM manufactured gas mantles used in lamps to generate light. The manufacturing process, and associated waste materials, included several radioactive elements, such as thorium, radium, and uranium. In the early 1980s, the Environmental Protection Agency (EPA) identified the Welsbach/GGM area as a superfund site,² which the agency divided into six study areas. Id. at 4-5. Radiological contamination was identified at the two former gas mantle facilities and at approximately 100 properties located near these two facilities. Relevant here is study area two, which includes the location of the former Welsbach facility and nearby residential/commercial properties. The EPA designated four operable units (OU) within the site, and determined that soils and waste materials under OU1 contain waste materials that require remediation through excavation and off-site disposal of radiologically contaminated soil and waste materials. See RFP at 5. The work being sought under the RFP is part of the OU1 remediation. Id.

USACE issued the RFP on August 6, 2015,³ to a pool of ten environmental remediation contractors, including Severson and CB&I, which held multiple environmental government acquisition (MEGA) northwest division (NWD) unrestricted preplaced remedial action contract (PRAC) multiple award task order contracts (MATOC).⁴ The contractor was responsible for the excavation and offsite disposal of radioactive soils with activities greater than 5 picoCuries/gram (pCi/g) total radium isotopes and/or 5 pCi/g total thorium isotopes above background concentrations. See RFP at 5.

² A superfund site is land contaminated by hazardous waste in the United States which has been identified by the EPA as a candidate for cleanup because it poses a risk to human health and/or the environment. These sites are placed on a national priorities list (NPL) for further investigation by the EPA, and possible cleanup through the Superfund program. <http://toxmap.nlm.nih.gov/toxmap/faq/2009/08/what-are-the-superfund-site-npl-statuses.html> (last visited April 28, 2016).

³ The agency issued four amendments to the RFP. All citations are to the RFP as amended.

⁴ For this effort, EPA is the lead agency for the remediation and USACE is responsible for procuring and managing the remedial design and construction contracts through an interagency agreement with EPA. RFP at 7. As set forth above, the RFP was distributed to holders of the Army's PRAC MATOC contract.

The RFP stated that the remedial work would include the excavation of radioactive material at the former Welsbach facility on the Gloucester Marine Terminal (GMT) and other areas within or adjacent to the six identified study areas; that contamination ranged in depth from about 1 foot to 25 feet; and that the contractor would be required to slope, bench or implement excavation support techniques for all excavations extending deeper than 4 feet. Id. at 7. The RFP also explained that the ground water level at the GMT averaged about 12 feet below ground surfaces but ranged from 6 to 19 feet below ground surface across the site and that in areas where the excavation extended below the groundwater elevations, the contractor would be required to design and construct dewatering systems to ensure that the contaminated materials could be excavated and backfilled.

The solicitation specifically identified, but did not limit the work to, the following activities: site preparation; providing 24-hour security for the duration of the project; providing traffic control during construction activities; maintaining and operating the transportation facility; removal/decontamination of all contaminated building materials and surface vegetation to perform soil remediation; performance of radiological and chemical characterization of material; installation of temporary excavation support systems; design/installation/operation of dewatering systems and wastewater treatment plant; excavation of contaminated soil; performing final status survey sampling; preparation of waste manifests; transportation of contaminated materials; backfilling excavations; restoration of property; relocation/construction of utility lines; demobilization; removal of temporary facilities from property; regrading and repairing roadways; submitting remedial action reports documenting final disposal of materials removed; and performing scanning/segregation/transportation of contaminated soils in the event of needed emergency utility/facility repairs. See id. at 7-8.

The RFP provided for award of a cost-plus-fixed-fee task order on a best-value basis considering four evaluation factors in descending of importance: (1) previous experience; (2) key project team members and organizational structure; (3) past performance; and (4) cost/price schedule. RFP, Proposal Instructions, at 2-6. The non-cost factors, when combined, were significantly more important than cost/price. Id. at 2.

With respect to previous experience, the RFP stated that an offeror should submit up to three (3) examples of similar projects performed by the offeror. Id. The proposal should describe the specific work and identify whether the offeror performed the work as the prime or subcontractor. In addition, the RFP stated that the projects should demonstrate experience with similar contaminants, materials and construction techniques necessary to complete the contract, including cost and schedule control methods. In this regard, the RFP stated that the agency would evaluate how well an offeror demonstrates previous experience using methods, materials, technologies, and construction techniques similar to those necessary to

complete the current requirement, as well as the offeror's cost and schedule control approaches. Additional considerations included excavation and transportation for off-site disposal of radiologically impacted soils; projects requiring the design, construction, and operation and maintenance (O&M) of excavation dewatering and water treatment systems; projects requiring excavation support techniques; projects executed in active industrial areas requiring coordination with the property owner; cost reimbursement projects performed for USACE; projects where the offeror was the prime contractor; operation and management of a radiological lab; and projects where the majority of the work was performed in the last 10 years. Id. at 3.

With respect to key project team members and organization structure, the RFP stated that an offeror should propose three key team members: project manager, site superintendent, and project health physicist. Id. It also stated that an offeror should provide a narrative and organizational chart explaining the roles and responsibilities of prime and subcontractor team members, key personnel availability, and how the team would function to ensure successful accomplishment of the requirements, as well as the duration of the working relationships for key subcontractors, if applicable. Id. The RFP further stated that the agency would evaluate the information to determine how well an offeror demonstrated that its key personnel and organizational structure would be successful in completing the requirements. Id. at 4.

For purposes of the past performance evaluation, the RFP stated that an offeror should submit past performance information for each of the three examples of similar projects submitted as part of the previous experience factor and that the past performance information should be in the form of a completed past performance questionnaire (PPQ). Id. at 4-5. The RFP further stated that the evaluation would consider whether these three examples demonstrated a recent and relevant record of performance, which would be based on the similarity of the work performed to the requirements in the statement of work (SOW). The RFP stated that relevant past performance would have greater influence in an offeror's assessment, and that the agency may review other sources of information to evaluate past performance which could include information retrieved through the contractor performance assessment reporting system (CPARS). Id. at 5.

With respect to the cost/price schedule factor, the RFP stated that an offeror should submit a detailed cost proposal to cover all items described in the SOW, including breaking out each of the following cost elements: direct labor hours; direct labor cost; direct materials and supplies; subcontractor costs; travel; other direct costs; overhead; general and administrative costs; and fee.⁵ The RFP advised offerors to

⁵ For purposes of the cost evaluation, the RFP required an offeror to propose its costs for performing various work breakdown structures (WBS) listed in the RFP. See RFP, SOW, at 13.

include in their proposals any assumptions they relied upon, and to propose rates in accordance with the guidance provided in offerors' underlying contracts. Id. at 5. The RFP stated that a cost realism analysis would be performed to determine an offeror's probable cost of performance, which would be used to determine the best value. Id. at 6.

Four offerors, including Severson⁶ and CB&I responded to the RFP by the September 18 closing date. The proposals were evaluated by a technical evaluation team (TET) and a cost evaluation team (CET). Agency Report (AR), Tab 11, Source Selection Decision Document, at 5, 7. The TET identified the strengths and weaknesses of the competing proposals and rated proposals under the non-cost factors utilizing a color-coded adjectival rating scale, except for past performance where proposals were assigned a confidence rating.⁷ The CET evaluated offerors' proposed costs for realism and reasonableness. To this effect, the CET determined the probable cost of performance of each offeror's proposal by adjusting each offeror's proposed cost and fee where appropriate, to reflect additions or reductions in cost elements to realistic levels. The CET also evaluated each offeror's cost/price for reasonableness by comparing each offerors' cost/price to the other offerors' proposed cost/prices and to an independent government estimate (IGE).⁸ Id. at 17.

The pertinent evaluation results were as follows:

⁶ Severson states that it is the incumbent contractor for environmental remediation services at the Welsbach/GGM superfund site. Protest at 5. However, USACE disputes the relevance of Severson's status because the work under this RFP is fundamentally different than the work Severson is performing, which involved asbestos remediation of walls and floors. See Agency Report at 7-8.

⁷ The possible adjectival ratings were outstanding/blue, good/purple, acceptable/green, marginal/yellow, and unacceptable/red. AR, Tab 11, Source Selection Decision Document, at 7. The possible past performance confidence ratings were substantial confidence/blue, satisfactory confidence/purple, neutral/green, limited confidence/yellow and no confidence/red.

⁸ The record reflects that after receipt of proposals the CET downwardly adjusted the IGE from \$42,624,605 to \$33,571,788 because the agency found that the IGE lacked certain cost elements, and that some of the figures used to calculate the IGE were too high. See AR, Tab 13, CET Report, at 2.

	CB&I	Sevenson
Previous Experience	Outstanding	Outstanding
Key Project Team Members and Organizational Structure	Outstanding	Outstanding
Past Performance	Substantial Confidence	Substantial Confidence
Proposed Cost/Price	\$27,978,519	\$29,149,515
Probable Cost/Price	\$28,183,378	\$29,420,445
IGE	\$33,571,788	

See Id. at 7, 17; Tab 13, CET Report, at 2.

In determining CB&I's proposal to be the best value when compared to Sevenson's proposal, the source selection authority (SSA) examined and compared in detail each proposal's strengths and weaknesses under each non-cost factor. AR, Tab 11, Source Selection Decision Document, at 40. The SSA concluded that CB&I's proposal was the stronger technical proposal despite the fact that CB&I and Sevenson received similar adjectival ratings. In this regard, the SSA found that CB&I's proposal demonstrated experience with projects of similar scope, magnitude, and complexity as the agency's requirement, and its key project team's cumulative experience was also superior to that of Sevenson. Id. The SSA also accepted the CET's evaluation of the cost proposals, and therefore found that CB&I's proposal offered a lower probable cost than Sevenson's proposal. On the basis of CBI's higher rating and lower cost, the SSA did not perform a cost/technical tradeoff between the two proposals. Id. The SSA selected CB&I for award of the task order on January 13, 2016. After USACE provided Sevenson with a written debriefing, Sevenson filed this protest.

DISCUSSION

Sevenson contends that USACE unreasonably evaluated CB&I's proposal under each of the RFP's four evaluation factors. Specifically, Sevenson argues that the agency's assignment of outstanding ratings to CB&I's proposal under the previous experience, key project team members and organizational structure, and past performance factors is not supported by the information in CB&I's proposal. Further, the protester argues that the agency unreasonably calculated the probable cost of CB&I's and Sevenson's proposals by failing to make reasonable probable cost adjustments. Last, the protester argues that the agency, in performing its cost/technical tradeoff and best-value decision, conducted an unreasonable comparative assessment of the proposals under each of the non-cost evaluation factors.

As noted above, this procurement was conducted as a competition among ID/IQ contract holders and, as such, was subject to the provisions of Federal Acquisition Regulation (FAR) § 16.505. See RFP at 3. However, where, as here, an agency conducts a task order competition as a negotiated procurement, our analysis regarding fairness will, in large part, reflect the standards applicable to negotiated procurements. STG, Inc., B-411415, B-411415.2, July 22, 2015, 2015 CPD ¶ 240 at 8; see, e.g., TDS, Inc., B-292674, Nov. 12, 2003, 2003 CPD ¶ 204 at 4; Uniband, Inc., B-289305, Feb. 8, 2002, 2002 CPD ¶ 51 at 3-4. In reviewing a protest of an agency's evaluation of proposals, even in a task order competition, our Office will not reevaluate proposals but instead will examine the record to determine whether the agency's judgement was reasonable and consistent with the stated evaluation criteria and applicable procurement statutes and regulations. Technology Concepts & Design, Inc., B-403949.2, B-403949.3, Mar. 25, 2011, 2011 CPD ¶ 78 at 8; Shumaker Trucking & Excavating Contractors, Inc., B-290732, Sept. 25, 2002, 2002 CPD ¶ 169 at 3. In negotiated procurements, source selection officials have broad discretion in determining the manner and extent to which they will make use of the technical and cost evaluation results. TRI-COR Indus., Inc., B-252366.3, Aug. 25, 1993, 93-2 CPD ¶ 137 at 11. A protester's disagreement with an agency's judgment in evaluating proposals is insufficient to establish that the agency acted unreasonably. VT Griffin Servs., Inc., B-299869.2, Nov. 10, 2008, 2008 CPD ¶ 219 at 4.

Here, based on our review of the record, we conclude that none of the protester's contentions provide a basis to sustain the protest. As discussed below, the record reflects that the agency reasonably evaluated CB&I's proposal under the non-cost evaluation factors; that despite the agency making errors in adjusting CB&I's proposed cost the protester was not prejudiced; and that the agency reasonably considered the qualitative distinctions between CB&I's and Sevenson's proposals and concluded that CB&I's proposal was the best value. We discuss several of the protester's arguments below.⁹

Evaluation of non-cost factors

Sevenson contends that USACE unreasonably assigned an outstanding rating to CB&I's proposal under the previous experience factor because two of CB&I's projects reflected excavation depths of less than 25 feet. The protester argues that the evaluation documents reflect that the TET assigned an outstanding rating to CB&I's proposal on the basis of the projects being "as complex" as the project in the RFP, while, in Sevenson's view, CB&I's projects were not as complex as the Welsbach/GGM project requirement for depths of 25 feet.

⁹ In pursuing this protest, Sevenson has raised numerous arguments that are in addition to, or variations of, those discussed herein. We have considered all of Sevenson's assertions and find none provide a basis to sustain its protest.

As discussed above, the RFP stated that excavation at the Welsbach/GGM site would range in depths from about 1 to 25 feet. RFP, SOW, at 7. The previous experience factor however stated that the agency would evaluate how well an offeror demonstrates previous experience using methods, materials, technologies, and construction techniques similar to those necessary to complete the current requirement, as well as the offeror's cost and schedule control approaches.

Here, the record reflects that the TET assigned an outstanding rating to CB&I's proposal under the previous experience factor because CB&I's three projects met all the aforementioned base evaluation criteria and also demonstrated twenty-three strengths related to the additional considerations being evaluated and no weaknesses. See AR, Tab 12a, Contract Advisory Panel (CAP) Report, Attach. 2, at 1-3; Tab 11, Source Selection Decision Document, at 8. In this respect, the TET found that all three of CB&I's projects were similar and as complex as the project in the RFP and were performed in highly industrial/commercial areas; that all three projects were thorium-related clean ups; that experience was demonstrated for deep excavations using multiple forms of shoring; and that all work was performed for USACE under cost reimbursable projects. AR, Tab 12a, CAP Report, Attach. 2, at 2. Although no weaknesses were assigned to the proposal, the TET noted in evaluating the additional considerations for CB&I's proposal that for project Nos. 2 (9 feet) and 3 (12 feet), CB&I did not show excavations as deep as 25 feet.¹⁰ See id. at 3.

By contrast, the record reflects that the TET assigned an outstanding rating to Severson's proposal because it also met the base evaluation criteria and demonstrated 20 strengths under the additional considerations and no weaknesses. Similar to the evaluation of CB&I's proposal, the TET noted with regard to Severson's proposal that Severson's project Nos. 2 and 3 did not include operation and management of an onsite laboratory; that for project 3 Severson was a subcontractor under a time and materials contract; and that for project 2, there was a long break in activity so that it was questionable whether the majority of the work was performed within the last 10 years. Id. at 19. While the TET did not specifically note Severson's excavation depths, the record reflects that the TET documented that Severson's project 1 was for 25 feet, project 2 was for 22 feet, and project 3 did not identify the specific depth of the excavation.

On this record, we find no basis to question the agency's assignment of an outstanding rating to CB&I's proposal for the previous experience factor, despite not demonstrating depths on all of its projects of up to 25 feet. Here, the record reflects that the agency assigned an outstanding rating to the proposal because the

¹⁰ CB&I's project No. 1 reflected excavation up to 38 feet. See AR, Tab 12a, CAP Report, Attach 2, at 2.

proposal met the base requirement and reflected 23 strengths related to the additional considerations with no apparent weaknesses. While the protester argues that the lack of excavation depths on two of CB&I's projects should have warranted a lower rating based on the projects not being as complex as the RFP project, the RFP's language describing this evaluation factor did not require that all of an offeror's projects reflect depths of at least 25 feet to receive an outstanding rating. To the contrary, the RFP only required an offeror to demonstrate previous experience using methods, materials, technologies, and construction techniques similar to those necessary to complete the current requirement, as well as its cost and schedule control approaches. Here, the record reflects that the agency concluded that despite lacking excavation depths of 25 feet on all of its projects, its proposal warranted an outstanding rating because, along with meeting the evaluation criteria, it reflected 23 specific strengths. This approach was consistent with how the agency assigned an outstanding rating to Severson's proposal for this factor, since Severson's projects reflected both an unspecified excavation depth and a project with an excavation depth of less than 25 feet. Therefore, we see no reason to question the agency's evaluation or to conclude that these offerors were treated unequally.

Severson next contends that USACE unreasonably assigned an outstanding rating to CB&I's proposal under the key project team members and organizational structure factor. The protester contends that an outstanding rating for this evaluation factor was unwarranted because CB&I's proposal did not specifically identify the schedule management experience of its site superintendent. Again, we find no basis to question the agency's evaluation as unreasonable or inconsistent with the RFP criteria.

Here, the RFP stated that offerors should propose three key team members: project manager, site superintendent, and project health physicist. The RFP stated that the specific requirements for the site superintendent were set forth in section C of each offeror's base contract. See RFP, Proposal Instructions, at 3. For the site superintendent, among other things, the base contract states that an individual proposed as the site superintendent should have experience in schedule management. The record reflects that the TET determined that CB&I's site superintendent met the requirements because this individual had 13 years of experience at a remediation site, and had implemented a quality control system. The agency also explains that the TET determined that CB&I's superintendent demonstrated scheduling experience based on the individual's diversity of duties because the proposal shows, and the TET documented, that the project was managed using a cost-loaded schedule tracked by work authorization document (WAD) /WBS elements. Supp. AR, Mar. 7, 2016, at 14. We find that the agency reasonably concluded that the site superintendent met the requirement based on the evaluators' review of the individual's experience and the evaluators' knowledge

of the types of duties involved in that experience. Therefore, we find no reason to question the evaluation as unreasonable.¹¹

Sevenson also contends that USACE unreasonably assigned a substantial confidence rating to CB&I's proposal under the past performance factor. Specifically, Sevenson argues that the record of the evaluation lacks detail; that the agency relied upon the projects that CB&I submitted under the previous experience factor, which the protester argues reflected inadequate experience in several areas, such as excavations at depths of 25 feet; and that performance on CB&I's project No. 2 was rated only satisfactory for customer satisfaction. By contrast, the protester states that under its incumbent contract at Welsbach/GGM it has been rated exceptional for customer satisfaction.

Our Office examines an agency's evaluation of past performance to ensure that it was reasonable and consistent with the stated evaluation criteria and applicable statutes and regulations; however, determinations regarding the relative merits of offerors' proposals are primarily matters within the contracting agency's discretion. JVSCC, B-311303.2, May 13, 2009, 2009 CPD ¶ 138 at 5; Kay & Assocs., Inc., B-291269, Dec. 11, 2002, 2003 CPD ¶ 12 at 4. The critical question in evaluating proposals under the past performance factor is whether the evaluation was conducted fairly, reasonably, and in accordance with the stated evaluation terms, and whether it is based upon relevant information sufficient to make a reasonable determination of the offeror's overall past performance ratings. LIS, Inc., B-400646.4, Jan. 4, 2010, 2010 CPD ¶ 18 at 9.

As noted above, the RFP for past performance specifically states that an offeror should submit past performance information for each of the three examples of similar projects submitted as part of the previous experience factor and that the evaluation would consider an offeror's recent and relevant record of demonstrated performance on the three examples, based on the similarity of the work performed to the requirement in the SOW.

The record reflects that in rating CB&I's proposal substantial confidence under the past performance factor, the agency considered PPQs on the three examples that CB&I submitted under the previous experience factor as required by the RFP. The agency determined that the contracts upon which the PPQs were based were similar in nature to the Welsbach/GGM requirement and that two of the PPQs have

¹¹ With respect to this issue, we note that the agency also made similar assumptions regarding Sevenson's proposal regarding its site superintendent where the proposal did not specifically identify the quality control system experience of its superintendent, but the evaluators noted that this experience was required by the underlying contract. See Supp. AR, Mar. 7, 2016, at 14; AR, Tab 12a, CAP Report, at 20.

exceptional overall ratings and one has a very good rating, even though the customer satisfaction rating was satisfactory. While the protester argues that these projects lacked relevance to the agency's requirement, we conclude that the agency reasonably decided that the projects were relevant based on the solicitation's definition of relevance and the projects' similarity to the requirements here. See AR, Tab 12a, CAP Report, Attach. 2, at 1-3; Tab 11, Source Selection Decision Document, at 8. The record also shows that the agency was aware of, and considered, CB&I's satisfactory customer service rating, but nonetheless rated its proposal substantial confidence based on the totality of the past performance information before it. For these reasons, we find no basis to question the agency's evaluation.

Cost evaluation

Sevenson also challenges the agency's cost adjustments to its and CB&I's proposals. Specifically, the protester argues that the agency's cost evaluation of CB&I's proposed costs for the onsite radiological laboratory was unreasonable; that the agency mechanically adjusted Sevenson's and CB&I's proposed costs for excavation dewatering to \$200,000; that the agency unreasonably failed to make upward adjustments to CB&I's proposed costs for wastewater treatment; that the Army failed to make probable cost adjustments to CB&I's proposed costs for radiological support; and that the agency mechanically adjusted CB&I's proposed costs to the government estimate for safety, health, and emergency, final grading, and temporary fence removal.

When an agency evaluates a proposal for the award of a cost-reimbursement contract or task order, an offeror's proposed costs are not dispositive because, regardless of the costs proposed, the government is bound to pay the contractor its actual and allowable costs. FAR §§ 15.305(a)(1), 15.404-1(d); Exelis Sys. Corp., B-407673 et al., Jan. 22, 2013, 2013 CPD ¶ 54 at 7 (considering FAR part 15 cost realism standards in a FAR part 16 task order procurement); CGI Fed. Inc., B-403570 et al., Nov. 5, 2010, 2011 CPD ¶ 32 at 5 n.1 (same). Consequently, an agency must perform a cost realism analysis to determine the extent to which an offeror's proposed costs are realistic for the work to be performed. FAR § 15.404-1(d)(1); DynCorp Int'l LLC, B-411465, B-411465.2, Aug. 4, 2015, 2015 CPD ¶ 228 at 8. An agency is not required to conduct an in-depth cost analysis, see FAR § 15.404-1(d)(1), or to verify each and every item in assessing cost realism; rather, the evaluation requires the exercise of informed judgment by the contracting agency. AdvanceMed Corp.; TrustSolutions, LLC, B-404910.4 et al., Jan. 17, 2012, 2012 CPD ¶ 25 at 13. While an agency's cost realism analysis need not achieve scientific certainty, the methodology employed must be reasonably adequate and provide some measure of confidence that the rates proposed are reasonable and realistic in view of other cost information reasonably available to the agency at the time of its evaluation. Tantus Techs., Inc., B-411608, B-411608.3, Sept. 14, 2015, 2015 CPD ¶ 299 at 10. Our review of an agency's cost realism

evaluation is limited to determining whether the cost analysis is reasonably based and not arbitrary. TriCenturion, Inc.; SafeGuard Servs., LLC, B-406032 et al., Jan. 25, 2012, 2012 CPD ¶ 52 at 6.

Here, for purposes of the cost evaluation, the CET considered the relevant cost elements of each offeror's proposed cost. The CET determined the probable cost of performance of each offeror's proposal by adjusting each offeror's proposed cost and fee where appropriate, based on various relevant cost data, including the government estimate, to reflect additions or reductions in cost elements to realistic levels. See AR, Tab 13, CET Report, at 1-8.

Although Severson raises numerous challenges to the cost adjustments made to its and CB&I's proposals, with the exception of a few adjustments described below, these arguments reflect disagreement with the agency's methodology and fail to demonstrate that the agency's evaluation was unreasonable. As noted above, cost adjustments need not achieve scientific certainty but only need be reasonably based and not arbitrary. For example, the protester argues that the USACE mechanically adjusted Severson's and CB&I's proposed costs for excavation dewatering to \$200,000 based on the government estimate, despite the RFP encouraging offerors to utilize their own unique technical approaches. However, the agency explains that the CET found that offerors' proposed costs for this item varied widely in range from \$12,000 to \$336,536.69, which indicated that offerors made different assumptions about the agency's dewatering requirement. The agency found this variance in pricing to be unjustified because the volume of water and other site conditions would be the same regardless of the offeror, and because the RFP did not require offerors to describe their technical approach to excavation dewatering, such that the cause for the variances could not be reasonably determined. Therefore, to resolve the discrepancy, the agency essentially adopted a "plug number" for the task and adjusted each offeror to the government estimate. We see no reason to question the agency's evaluation of either this WBS, or the other WBSs, because the record reflects that that agency's evaluation was not arbitrary, and was reasonably based.

There are a few instances where the agency acknowledges that it erred by not making an upward adjustment to CB&I's proposed costs. However, even when the proper upward adjustments are made to CB&I's costs for these areas, CB&I's overall cost nevertheless would have remained lower than Severson's. As a result, the record reflects that Severson was not prejudiced with regard to these cost adjustments. For example, with respect to the on-site radiological laboratory and radiological support WBSs, Severson correctly notes that the RFP required offerors to base their approaches on proposing 10,320 hours for two positions under each WBS, but CB&I accounted for only [DELETED] for each WBS. If CB&I's costs are adjusted to reflect the [DELETED] hours missing from each category, CB&I's proposed costs would increase by [DELETED]. Similarly, the agency concedes an error in its cost adjustment for radiological support. Supp. AR, Mar. 7, 2016, at 23.

Correcting this error would result in an upward adjustment of [DELETED]. These two adjustments would also impact CB&I's fee, resulting in an upward cost adjustment of the fee by [DELETED].

However, even after correcting each of these errors, CB&I's corrected probable cost of \$28,748,341, is still lower than Sevenson's probable cost of \$29,420,445. See Supp. AR, Mar. 7, 2016, at 23-24. Since CB&I's proposal would remain the higher-rated, lower-priced proposal despite the errors in the agency's cost adjustments, we find that these errors do not prejudice Sevenson, so as to constitute a basis to sustain its protest. See Armed Forces Hospitality, LLC, B-298978.2, B-298978.3, Oct. 1, 2009, 2009 CPD ¶ 192 at 9-10 (competitive prejudice is an essential element of a viable protest, and where the protester fails to demonstrate prejudice, our Office will not sustain a protest).

Finally, Sevenson contends that USACE failed to reasonably make a comparative assessment between Sevenson's and CB&I's proposals under the evaluation factors in selecting CB&I's proposal as the best value. The record, however, does not support this contention. To the contrary, the record reflects that the SSA performed a detailed comparison of the two proposals under each non-cost evaluation factor. See AR, Tab 11, Source Selection Decision Document, at 37-40. For example, the SSA found under the most important evaluation factor, previous experience, that even though neither offeror had any weaknesses, CB&I had five more strengths and experience with deep excavations (with depths up to 38 feet), which were adjacent to a major waterway. The SSA also noted CB&I's experience treating 135.9 million cumulative gallons of on-site wastewater. Whereas Sevenson had experience with deep excavations on two of its projects with depths up to 25 feet, next to a smaller creek, treating 50.5 million cumulative gallons of onsite wastewater. The SSA found this to be a discriminator in favor of CB&I because the task order required deep excavations adjacent to a major waterway. Id. at 40-41. The agency also found other discriminators under this factor, as well as under the key project team members and organizational structure evaluation factor, which offered further support for the agency's conclusion that CB&I's proposal provided the best value to the government. See id. at 40-41. Since the agency's comparative analysis reasonably concluded that CB&I's proposal was both technically superior and lower-priced, no tradeoff between non-cost and cost factors was required. See Galaxy Sci. Corp., B-258246, Dec. 30, 1994, 94-2 CPD ¶ 267 at 7.

In sum, we conclude that Sevenson's protest provides no basis to conclude that the agency failed to reasonably evaluate proposals or failed to consider the qualitative

distinctions between Severson's and CB&I's proposals. Similarly, we find no basis to object to the agency's determination that CB&I's proposal offered the best value.

The protest is denied

Susan A. Poling
General Counsel