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Decision

Matter of: AM Pierce & Associates Inc.

File: B-413128; B-413128.2

Date: August 22, 2016

Robert E. Gregg, Esq., Karen R. Harbaugh, Esq., and John R. Sharp, Esq., Squire Patton Boggs (US), LLP, for the protester.
Samantha Basso, Esq. and Stephanie J. Quade, Esq., Department of the Navy, Naval Air Systems Command, for the agency.
K. Nicole Willems, Esq., and Jennifer D. Westfall-McGrail, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. In conducting a cost realism analysis in a negotiated procurement, agency reasonably used the protester's actual indirect cost rates from the prior fiscal year, instead of the protester's significantly lower proposed rates, where there was a significant discrepancy between the protester's historical rates and its proposed rates, and the agency could not determine that the proposed rates were realistic.
 2. Agency reasonably used labor rates for current employees when evaluating the protester's labor costs, where the solicitation advised offerors that the agency would ascertain the degree to which the proposed direct labor costs were based on named employees and where the agency reserved the right to evaluate the costs at a higher rate to match the caliber of the personnel proposed.
 3. Protest that the agency failed to perform a proper best-value tradeoff and essentially converted the basis for award from best-value to lowest-priced, technically acceptable is denied where the record shows that the agency performed a best-value tradeoff that was reasonable and adequately documented.
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DECISION

AM Pierce & Associates, Inc. (AMP), located in California, Maryland, protests the award of a contract to Island Creek Associates, LLC (ICA), located in St. Leonard, Maryland, under request for proposals (RFP) No. N00421-15-R-0034, issued by the

Department of the Navy, Naval Air Systems Command, for program management support services for the H-60 Helicopter Program Office. AMP challenges the cost realism evaluation of its proposal and the best-value determination.

We deny the protest.

BACKGROUND

The agency issued the RFP on March 13, 2015, for support services for multiple integrated product teams in key areas of project management, to include configuration management, government furnished equipment, procurement initiation documents, administrative support, financial management for project execution, and engineering support. Agency Report (AR) at 1. The solicitation was set aside for competition among economically-disadvantaged woman-owned small businesses. Id. at 2. The RFP contemplated the award of a cost-plus-fixed-fee contract on a best-value basis, considering technical, past performance, and cost/price factors. RFP § M-1. The RFP established three subfactors under the technical factor: (1) understanding and approach; (2) transition plan; and (3) staffing and personnel. RFP § M-2. According to the RFP, the technical subfactors were of equal importance; technical was more important than past performance; when combined, technical and past performance were more important than price; and the importance of cost/price would increase with the degree of equality among different offerors' technical and past performance proposals. RFP § M-1.

As relevant here, with regard to the cost/price factor, the RFP provided that the agency would evaluate the realism of each offeror's estimated cost. RFP § M-4. The RFP defined cost realism as a review of the cost portion of an offeror's proposal, conducted to determine whether the overall costs proposed were realistic for the work to be performed, reflective of the offeror's understanding of the requirements, and/or consistent with the offeror's technical proposal. Id. The RFP provided that the evaluation might be based on an analysis of the realism and completeness of the cost data, and the traceability of the cost to the offeror's capability. Id. The RFP required offerors to substantiate their proposed direct and indirect rates through sources such as payroll verification, contingent offer letters, Defense Contract Audit Agency (DCAA) rate verification and approval letters, and/or other detailed justification for their proposed rates, as applicable. See RFP § 4.3.5.

Regarding indirect rates, the RFP directed offerors to provide three years of historical or actual indirect rates and, if available, the most current DCAA provisional billing rate approval letter, DCAA final billing rate approval letter, and/or DCAA forward pricing rate agreement or recommendation. RFP § 4.3.5.3. If the DCAA had not reviewed the rate information for an offeror, the offeror was required to submit a detailed justification of the proposed indirect rates, and, if any of the rates used in developing the proposal differed from the historical rate data or DCAA

information, the offeror was required to provide a justification for the difference, including any supporting cost data. Id.

With regard to direct labor rates, offerors were required to submit labor rates for proposed personnel, and were to verify the rates in different ways, based on the status of the personnel. RFP at § L-4.3.5.1. Offerors were required to provide payroll verification for currently employed proposed personnel and contingent offer letters outlining salary information for contingent hires. Id. The RFP also required offerors to provide a justification to substantiate proposed rates that differed from the rates provided via payroll verification. Id. For prospective hires, offerors were required to provide information to substantiate the rates proposed. Id. In the event that offerors proposed composite or averages for labor categories, offerors were required to provide a breakdown describing how the rates were developed. Id.

As relevant here, offerors were required to include as part of their technical proposals a complete workforce qualifications spreadsheet (attachment P1) for each employee, contingent hire, and prospective hire, proposed for the base year for both key and non-key positions.¹ RFP § L-2.3.1. The information provided in attachment P1 was required to demonstrate that the proposed personnel met or exceeded the labor category requirements outlined in the SOW. Id. As part of their cost/price proposals, offerors were required to provide a contract line item number (CLIN) breakout spreadsheet (attachment P6), which included proposed rates for employees based on labor categories. RFP § L-4.2.

Based on the cost realism analysis, the RFP contemplated the calculation of an evaluated cost for each offeror, which would reflect the agency's estimate of the offeror's most probable cost. RFP at § M-4.1. The evaluated cost would reflect the offeror's total cost, including profits/fees, and any additional adjustments the agency determined necessary to make the proposed cost realistic. Id. In estimating an offeror's most probable cost, the agency would consider pertinent cost information, including but not limited to payroll verification, contingent offer letters, and, as relevant here, DCAA-recommended indirect rates. RFP § M-4.1.2. The RFP also advised offerors that the agency would ascertain the degree to which the proposed direct labor costs were based on named employees, and would attribute a higher level of confidence to a proposal's realism in relation to the higher proportion of named employees. Id. In this regard, the RFP noted that the agency might review

¹ The RFP defined key personnel as those individuals who will be performing in key labor categories, designated by the agency in the statement of work (SOW). RFP § L-2.3.1. Additionally, the RFP defined a contingent hire as an individual who has committed, under a signed letter of intent, to being employed by the offeror if the offeror is awarded the contract. Id. A prospective hire was defined as an individual that the offeror has committed to hiring if the offeror is awarded the contract, whose identity may not be known until after award. Id.

the costs proposed for various labor categories and compare those costs to the qualifications of the personnel proposed. Id. The agency reserved the right to evaluate the costs at a higher rate to match the caliber of the personnel proposed. Id.

The agency received six proposals, including proposals submitted by the protester and the awardee, by the April 23, 2015, closing date. AR at 2. The technical evaluation team (TET) subsequently evaluated all technical proposals, and the cost evaluation team (CET) conducted a concurrent evaluation of cost proposals. Id. On September 8, the source selection evaluation board (SSEB) recommended that the source selection authority (SSA) establish a competitive range of three offerors, including the protester and the awardee, and conduct discussions with the offerors in the competitive range. Id. On October 5, the SSA approved the recommendation and issued letters to competitive range offerors, opening discussions and establishing October 26 as the date for the submission of final proposal revisions (FPRs). Id. After reviewing the evaluation notices, discussions were reopened on November 5, and FPRs were ultimately received from offerors on November 13. Id. The TET completed its evaluation of FPRs on November 25, 2015, and the CET completed its evaluation on January 19, 2016. The SSEB subsequently convened to review the results of the TET and CET evaluations, and, based on their review, recommended award to ICA. Id.

The evaluation results for the protester and awardee were as follows:

	AM Pierce & Associates, Inc.	Island Creek Associates, LLC
Overall Technical Rating/Risk	Outstanding/Low	Good/Low
Understanding and Approach Rating/Risk	Outstanding/Low	Acceptable/Low
Transition Plan Rating/Risk	Good/Low	Good/Low
Staffing and Personnel Rating/Risk	Outstanding/Low	Outstanding/Low
Past Performance Confidence Rating	Satisfactory Confidence	Satisfactory Confidence
Total Proposed Price	\$7,640,373	\$10,147,322
Total Evaluated Price	\$11,397,642	\$10,984,999

AR, Tab 13, Source Selection Decision (SSD), at 3.

The SSA performed a best-value tradeoff analysis, and concluded that the perceived benefits of AMP's higher-rated technical approach did not merit the evaluated cost/price premium of 3.76% over ICA's proposal. Id. at 5. Award was

made to ICA on May 2. AR at 2. The agency provided a debriefing to AMP on May 10, and this protest followed.

DISCUSSION

AMP argues that the agency's cost realism analysis of its proposal was arbitrary and not reasonably based. Specifically, AMP challenges the agency's evaluation and upward adjustment of its indirect rates on two grounds: (1) it was unreasonable for the agency to rely upon AMP's fiscal year 2015 provisional indirect rates which included [DELETED] because AMP's proposed indirect costs were based on a change to AMP's indirect rate structure--namely [DELETED] which resulted in a lower proposed overhead rate; and (2) the agency ignored the special rate analysis (SRA) included in AMP's proposal that explained how an award to AMP would impact its overhead rates.

AMP also challenges the agency's evaluation of its direct rates, arguing that (1) payroll verification is not a reasonable way to verify the proposed cost of employees who are mentioned in the proposal but not considered "key personnel"; and (2) the use of a median rate to calculate the most probable direct labor costs in option years is unreasonable. According to the protester, if the agency had conducted a proper cost realism analysis, the total evaluated cost for AMP's proposal would have been less than ICA's total evaluated cost. Comments on the AR at 2. Finally, the protester argues that the best-value tradeoff was flawed because it was based on a flawed cost realism analysis, and because the agency essentially converted this best-value competition into a lowest-priced, technically-acceptable competition.

Indirect Rates

AMP argues that the agency unreasonably relied upon its historical indirect rates, as provided by DCAA, rather than its proposed indirect rates (and accompanying justifications) in upwardly adjusting the cost of its proposal. In response, the agency argues that it was reasonable to upwardly adjust AMP's proposed indirect rates because it viewed the 2015 provisional billing rates, which were provided to the agency by DCAA, to be more reliable and because the agency was not otherwise able to determine that the proposed rates were realistic, based on the information provided by AMP. AR, Tab 9, FPR Cost Report at 11.

When an agency evaluates a proposal for the award of a cost-reimbursement contract, an offeror's proposed estimated costs are not dispositive because, regardless of the costs proposed, the government is bound to pay the contractor its actual and allowable costs. Federal Acquisition Regulation (FAR) §§ 15.305(a)(1); 15.404-1(d); Oasis Sys., LLC; Quantech Servs., Inc., B-408227.10 et al., Apr. 28, 2016, 2016 CPD ¶ 124 at 5-6. Consequently, an agency must perform a cost realism analysis to determine whether the estimated proposed cost elements are

realistic for the work to be performed, reflect a clear understanding of the requirements, and are consistent with the unique methods of performance and materials described in the offeror's proposal. FAR § 15.404-1(d)(1); Advanced Commc'n Sys., Inc., B-283650 et al., Dec. 16, 1999, 2000 CPD ¶ 3 at 5. An offeror's proposed costs should be adjusted, when appropriate, based on the results of the cost realism analysis. FAR § 15.404-1(d)(2)(ii). Our review of an agency's cost realism evaluation is limited to determining whether the cost analysis is reasonably based and not arbitrary. Jacobs COGEMA, LLC, B-290125.2, B-290125.3, Dec. 18, 2002, 2003 CPD ¶ 16 at 26. Based on the record, we have no basis upon which to conclude that the agency's evaluation in this regard was unreasonable or arbitrary.

In its proposal, AMP provided data regarding its indirect rates for the previous three years; AMP's 2016-2020 forward pricing rates proposal; a 2016 baseline budget that reflected a change from [DELETED]; and a special rate analysis intended to substantiate its proposed rates, including an explanation of how award of this contract would impact its overhead rates (referred to as impacted rates).² Regarding the changes to its overhead structure, AMP explained, both in its cost narrative and SRA, that its lower proposed indirect rates were based, in part, on an anticipated change to its accounting system. Specifically, AMP anticipated that instead of [DELETED] rates would be [DELETED].³ AR, Tab 21, AMP's Initial Proposal, Cost/Price Narrative, at 19; Tab 21, AMP's Initial Proposal, SRA Introduction, at 1.

The agency's cost evaluation report noted that AMP's "proposed rates are inconsistent with their historical rates and 2016 Forward Pricing Rates Proposal."⁴ AR, Tab 9, FPR Cost Report at 11. On April 27, 2015, the agency requested verification of AMP's rates from DCAA. Id. DCAA responded by providing AMP's 2015 provisional rates to the agency. Id. In discussions, the agency requested that AMP address why the company's proposed indirect rates were inconsistent with its historical and forward pricing rate proposal (FPRP) rates. AR, Tab 7, Discussion Letter and Evaluation Notices, at 9. In response, AMP acknowledged that its proposed indirect rates were inconsistent with its historical and FPRP rates, and noted that it had provided a detailed justification for the difference in its proposal. AR, Tab 22, Response to Discussion Items, at 8. AMP also explained that it had

² In this regard, AMP explained that "[t]he added direct labor and Other Direct Cost (ODC) base from this contract award will allow AMP to [DELETED]. [AMP] has provided a well-documented [SRA] detailing how we will derive these savings in our indirect rates." AR, Tab 21, AMP Initial Proposal, Cost/Price Narrative, at 4-3.

³ AMP's proposed [DELETED].

⁴ For example, the indirect rate proposed by AMP was [DELETED] less than its rate for the previous year. AR at 7.

provided its proposed indirect rate documentation, along with an update to its 2016 cost accounting policies and procedures manual, to both DCAA and the Defense Contract Management Agency (DCMA) following the submission of its proposal to the agency.⁵ Id.

Following discussions, the agency evaluated AMP's FPR, and the agency once again contacted DCAA in "an effort to confirm the SRA provided."⁶ AR, Tab 9, FPR Cost Report, at 11. In response, DCAA provided indirect rates incurred by AMP on a year-to-date basis. Id. Ultimately, the agency relied on the 2015 provisional rates provided by DCAA, as they were "the only verifiable data" upon which the agency could rely. Id.

AMP contends that the agency did not make a reasonable effort to verify the proposed accounting changes with DCAA, and that, if it had done so, it could have verified AMP's proposed [DELETED] overhead rate. Protest at 14. The protester also argues that the agency ignored the SRA submitted by the protester and failed to reach out to DCAA for confirmation of AMP's calculations. Comments on the AR, at 9. The record shows, however, that the agency contacted DCAA during its initial and final evaluations in an attempt to verify the proposed rates, including the impacted rates. AR, Tab 9, FPR Cost Report, at 11. Additionally, the contract specialist explains that she asked DCAA specifically about AMP's proposal to [DELETED].⁷ AR, Tab 20, Contract Specialist's Statement, at 3.

⁵ The explanation provided by AMP in response to the evaluation notice included a discussion of its decision to implement [DELETED]. AR, Tab 22, Response to Discussion Items, at 10.

⁶ The SRA included a description of AMP's plan to [DELETED]. AR, Tab 21, AMP's Initial Proposal, SRA, at 2.

⁷ The protester argues that the statement of the contract specialist who conducted the cost evaluation is an improper post-hoc rationalization, which should be excluded from consideration under the rationale set forth by our Office in Solers, Inc., B-404032.3, B-404032.4, April 6, 2011, 2011 CPD ¶ 83 at 14. We disagree. In Solers, our Office observed that while we consider the entire record, we accord greater weight to contemporaneous source selection materials and documents and little weight to arguments raised by counsel that are not supported by the contemporaneous record. Id. Here, however, the contract specialist's explanations provide a detailed rationale for contemporaneous conclusions and simply fill in previously unrecorded details. Such explanations will generally be considered in our review of the rationality of selection decisions, so long as those explanations are credible and consistent with the contemporaneous record. Management Sys. Int'l, Inc., B-409415, B-409415.2, Apr. 2, 2014, 2014 CPD ¶ 117 at 6. Here, we find the agency's explanation to be both credible, and consistent with the contemporaneous
(continued...)

Here, while the protester provided DCAA with information about its proposed rates and changes to its accounting practices, following the submission of its proposal, DCAA did not approve AMP's provisional billing rates for 2016, which reflected the changes to AMP's accounting practices, until April 11, 2016,⁸ after the agency had completed its cost evaluation.⁹ Id. at 5-6. As such, while the protester argues that DCAA was on notice that AMP was planning to [DELETED], the record shows that DCAA had not verified the rates provided by AMP, or approved AMP's proposed changes, at the time the agency was conducting its cost realism analysis.

In sum, it appears that the agency considered the most realistic and verifiable information available when calculating AMP's most probable cost. As such, we have no basis to conclude that the agency's cost realism adjustment in this area was unreasonable.

Direct Rates

AMP next challenges two aspects of the agency's evaluation of its proposed direct rates. First, AMP argues that payroll verification is not a reasonable way to verify the proposed cost of employees mentioned in the proposal but not considered key personnel. Protest at 18. Second, AMP complains that the use of a median rate to calculate the most probable direct labor costs in option years is unreasonable. Id. Based on the information in the record, we have no basis to conclude that the agency's approach was unreasonable.

In its initial proposal, the protester proposed twenty direct labor full-time equivalents (FTEs). AR, Tab 9, FPR Cost Report, at 4. As relevant here, AMP also provided attachments P1 and P6, as required. Id. Attachment P1 listed the names of the personnel being proposed by AMP and identified each one as a current, contingent, or prospective hire. Id. Attachment P6 included proposed labor categories and

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written record. INDUS Tech., Inc., B-411702 et al., Sept. 29, 2015, 2015 CPD ¶ 304 at 5.

⁸ In the context of a different solicitation, the agency obtained a copy of a letter dated April 11, 2016, in which DCAA established AMP's provisional billing rates for Fiscal Year 2016. AR, Tab 20, Contract Specialist's Statement, at 5.

⁹ While the protester included two documents from DCAA with its protest, a January 19, 2016 audit notification letter from DCAA and a February 13, 2016 determination letter stating that AMP's accounting system was acceptable, neither of these documents addressed the [DELETED] or included a description of AMP's accounting system. Protest, Exhibit J, Pierce Declaration, Attachments 3 and 4. Instead, they are both high level documents that verify the general acceptability of AMP's accounting system.

rates, but did not include the names of the associated personnel. Id. AMP's proposal also included payroll verification for [DELETED] current employees, and contingent hire letters with salary information for [DELETED] additional personnel.

The CET noted, in its initial report, that AMP's proposed rates were inconsistent with its payroll information. Id. In this regard, the CET found that, while the payroll information provided by AMP matched the names proposed in the technical proposal (and listed in attachment P1), AMP did not link the names with the labor categories in attachment P6. As a result, the agency concluded that it could not use the payroll information to verify the proposed rates. Id.

Subsequently, during discussions, the agency requested that AMP provide names in attachment P6. AR, Tab 8, Evaluation Notices, at 6. In response, AMP explained that its proposed direct labor rates were based on [DELETED]. AR, Tab 22, Response to Cost/Price Discussion Items, at 1. AMP explained that since [DELETED], the company used those rates as the basis for its proposed direct labor rates provided in attachment P6, instead of using the actual labor rates of the individuals proposed in attachment P1.¹⁰ Id.

The CET took exception to AMP's response to the evaluation notice. AR, Tab 9, FPR Cost Report, at 5. In this regard, the CET noted that the payroll verification included with AMP's proposal listed the same names as included in attachment P1 of the technical proposal, indicating that the individuals for which payroll verification was provided were the individuals being proposed. Id. Additionally, the CET found that "the rates proposed are drastically inconsistent with the rates verified for current and contingent employees." Id. In this regard, the CET provided examples illustrating the differences between the rates proposed by AMP and the rates AMP is actually paying its current employees, as shown by the payroll information.¹¹

¹⁰ AMP included justifications for its approach in its response to the evaluation notice. For example, AMP noted that if it used actual labor rates for proposed individuals, those salaries might be below the market rate, resulting in a risk in the event the proposed individual leaves and the offeror is not able to backfill the position at the same salary. AR, Tab 22, Response to Cost/Price Discussion Items, at 1. On the flip side, AMP also noted that its current salaries for some individuals may be above the market rate, resulting in a competitive risk due to the fact that, according to AMP, the agency had indicated an unwillingness to pay a premium over market rates. Id.

¹¹ For example, the CET noted that AMP proposed all program analysts at the direct labor rate of [DELETED]. AR, Tab 9, FPR Cost Report, at 5. Payroll information provided by AMP for [DELETED] proposed program analysts, however, indicated that the expected labor rates for the proposed individuals would be between [DELETED] and [DELETED]. Id.

Ultimately, the CET concluded that “[t]he most realistic costs that the [g]overnment will incur are those costs that the [g]overnment would pay for the individuals being proposed for this effort.” Id.

Consequently, the CET calculated the most probable cost using two methods. First, the CET used the verified rates provided for proposed employees in each labor category for the base year. AR, Tab 9, FPR Cost Report, at 8. Second, in calculating the most probable cost for option years, the CET used the median of all verified rates (including payroll rates for current employees, contingent hire letters, and proposed rates for prospective hires) for each labor category in which hours would be reduced in option years. Id. at 6. According to the CET, the use of a median rate was reasonable because, given the reduction in hours, there was uncertainty as to which employees would be performing, and, as a consequence, which corresponding rates would be applicable. Id.

As previously noted, our review of an agency’s cost realism evaluation is limited to determining whether the cost analysis is reasonably based and not arbitrary. Jacobs COGEMA, LLC, supra. In this regard, we have held that 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 Technologies, Inc., B-411608, B-411608.3, Sept. 14, 2015, 2015 CPD ¶ 299 at 10.

Here, the protester essentially argues that the agency should ignore the rates currently being paid to proposed employees in calculating the most probable cost for the base and option years. In our view, the agency reasonably concluded that, in this case, “[t]he most realistic costs that the [g]overnment will incur are those costs that the [g]overnment would pay for the individuals being proposed for this effort.” AR, Tab 9, FPR Cost Report, at 5. The CET’s approach is also consistent with the solicitation, which clearly advised offerors that the agency would ascertain the degree to which the proposed direct labor costs were based on named employees, attribute a higher level of confidence to a proposal’s realism in relation to the higher proportion of named employees, and evaluate the costs at a higher rate to match the caliber of the personnel proposed.¹² RFP § L-4.2. While it is true, as the protester contends, that current employees may leave and be replaced by more or less qualified employees who might be paid a different rate, the possibility of changes to personnel does not negate the fact that the actual rates currently being paid to personnel proposed by AMP are the most realistic rates available. As

¹² In this regard, the RFP noted that the agency might review the costs proposed for various labor categories and compare those to the qualifications of the personnel proposed. RFP § L-4.2.

such, we find no basis in the record to conclude that the agency's evaluation of AMP's proposed direct rates was unreasonable.

Best Value

In addition to its challenges to the agency's cost realism evaluation, AMP protests the agency's source selection decision, asserting that the SSA's tradeoff analysis and best-value determination were unreasonable because they were based, in part, on the allegedly flawed cost realism evaluation described above. Additionally, in the protester's view, the agency essentially converted the best-value procurement to one where award was made to the lowest-priced, technically acceptable proposal.

In a best-value procurement, such as this one, it is the function of the SSA to perform a price/technical tradeoff to determine whether one proposal's technical superiority is worth a higher price. General Dynamics-Ordnance & Tactical Sys., B-401658, B-401658.2, Oct. 26, 2009, 2009 CPD ¶ 217 at 8. Even where price is the least important evaluation factor, as here, an agency properly may select a lower-priced, lower-rated proposal if the agency reasonably concludes that the price premium involved in selecting a higher-rated, higher-priced proposal is not justified in light of the acceptable level of technical competence available at a lower price. Id. The extent of such tradeoffs is governed only by the test of rationality and consistency with the evaluation criteria. Hillstrom's Aircraft Servs., B-403970.2, Dec. 28, 2010, 2010 CPD ¶ 303 at 5. Thus, a protester's disagreement with an agency's determinations as to the relative merits of competing proposals or disagreement with its judgment as to which proposal offers the best value to the agency does not establish that the evaluation or source selection was unreasonable. Id.

Here, we find unobjectionable the SSA's cost/technical tradeoff and source selection decision. As described above, we find no merit to the protester's challenges to the cost realism evaluation; thus, there is no basis to question the SSA's reliance upon those judgments in making her source selection decision. In addition, we disagree with the protester that the agency converted the procurement to one where award was made on a lowest-priced, technically acceptable basis. In this regard, the record shows that in conducting her tradeoff, the SSA comparatively assessed AMP's and ICA's proposals and analyzed the evaluators' findings, including the strengths and weaknesses assigned to proposals. See generally AR, Tab 13, Source Selection Decision.

The SSA compared the five strengths assigned to AMP's proposal with the four strengths and one weakness assigned to ICA's proposal, and concluded that the proposals were virtually equal with regard to the non-cost factors. Id. at 5. In reaching this conclusion, the record reflects that the SSA found that four of the five strengths assigned to AMP's proposal were "essentially equal" to the four strengths assigned to ICA's proposal. Id. Regarding the fifth strength assigned to AMP's

proposal, the SSA concluded that it would potentially provide a short term or sporadic benefit that did not merit the 3.76 percent price premium associated with AMP's proposal. The SSA also specifically considered the weakness assigned to ICA's proposal, and concluded that the issue had "little potential to cause disruption of schedule, increased cost or degradation of performance and can be mitigated with relative ease." Id. Ultimately, in selecting ICA as the offeror representing the best value, the SSA concluded that there were no strengths or benefits that would warrant paying a premium to obtain AMP's services, and found that the perceived benefits of the higher-rated technical approach under AMP's proposal did not merit the evaluated cost/price premium. Id.

Lastly, in its challenge to the source selection decision, AMP focuses on the ratings, and the number of strengths and weaknesses assigned to the proposals, rather than the underlying evaluation itself. Such emphasis is misplaced. In this regard, where the evaluation and source selection decision reasonably consider the underlying basis for the ratings, including the advantages and disadvantages associated with the specific content of competing proposals, in a manner that is fair and equitable, and consistent with the terms of the solicitation, the protester's disagreement over the actual numerical, adjectival, or color ratings is essentially inconsequential in that it does not affect the reasonableness of the judgments made in the source selection decision. General Dynamics, American Overseas Marine, B-401874.14, B-401874.15, Nov. 1, 2011, 2012 CPD ¶ 85 at 10. Our Office has consistently recognized that ratings, be they numerical, adjectival, or color, are merely guides for intelligent decision-making in the procurement process. Citywide Managing Servs. of Port Washington, Inc., B-281287.12, B-281287.13, Nov. 15, 2000, 2001 CPD ¶ 6 at 11.

The protest is denied.

Susan A. Poling
General Counsel