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Decision

Matter of: Honeywell Technology Solutions Inc.

File: B-413317; B-413317.2

Date: October 5, 2016

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DIGEST

1. Protest is denied where the record shows that the agency had a reasonable basis to conclude that the protester's proposal was technically unacceptable.
 2. Protest that the agency engaged in misleading discussions is denied where the agency led the protester to the area of concern multiple times.
 3. Protest that the agency failed to consider the effect of the sale of the awardee on its performance of the contract is denied, where the record shows that both the sale, and the awardee's notification to the agency of the sale, occurred prior to the submission of final proposals.
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DECISION

Honeywell Technology Solutions Inc. (Honeywell), of Columbia, Maryland, protests the award of a contract to L-3 National Security Solutions, Inc. (L-3 NSS), of Reston, Virginia, by the Department of the Air Force, under request for proposals (RFP) No. FA8823-13-R-0009, for operations, maintenance, modification and testing services for the Air Force Satellite Control Network (AFSCN). The protester alleges that the agency's improper technical evaluation resulted in a flawed conclusion that the protester's proposal was technically unacceptable. Honeywell also alleges that the Air Force failed to consider the effect of the sale of L-3 NSS on its ability to perform the contract.

We deny the protest.

BACKGROUND

The RFP, issued on March 18, 2015, under FAR part 15, contemplated the award of a 7-year contract, with an optional 6-month extension period. RFP § L ¶ 1.1. The majority of the contract line items were fixed-price incentive (firm target), with others being cost-plus-fixed-fee, cost-reimbursable, and fixed-price. In general terms, the solicitation sought operational performance services for the AFSCN, described as “a global network of communications and computer systems.” Performance Work Statement (PWS) § 1, 1.2. The operational functions of the AFSCN include satellite support for space vehicle, telemetry, tracking and commanding operations; resource scheduling; orbital analysis; and communications connectivity to worldwide remote tracking stations. Id. § 1.1. The agency intended to award the Consolidated AFSCN Modifications, Maintenance, and Operations (CAMMO) contract to the offeror whose proposal presented the best value to the agency, considering the two approximately equal evaluation factors of technical and price.¹ RFP § M ¶¶ 1.1.1, 2.1, 2.2.

The technical evaluation factor consisted of three subfactors: operations, maintenance and sustainment, and program management. Id. ¶¶ 2.1, 2.2. For each subfactor, the agency would assign a rating of either acceptable or unacceptable, where an acceptable proposal “clearly meets the minimum requirements of the solicitation,” and an unacceptable proposal “does not.”² Id. ¶¶ 2.1.1; 3.1.1. The agency would also assign proposals a risk rating of low, moderate, or high, for each of the three technical subfactors. Id. ¶ 2.1.1. The solicitation provided that “[a]n ‘Unacceptable’ rating for technical approach or a ‘High’ rating for technical risk in any Technical Subfactor will render the overall proposal unawardable.” Id. ¶ 2.2.1.

The evaluation criteria for each subfactor were specific, detailed, and included cross-references to corresponding sections of the PWS. Id. ¶¶ 3.2.1-3.2.3. Offerors were cautioned that, for each criterion within the respective technical subfactor, the agency would evaluate whether or not the proposal “clearly [met] the minimum requirements of the solicitation.” Id. ¶ 3.1.1. As relevant to the protest, one criterion within the maintenance and sustainment subfactor required offerors to “[d]emonstrate a comprehensive understanding and executable approach for

¹ The RFP provided for the calculation of a total evaluated price for evaluation purposes. RFP § M ¶ 2.1.2. Prices would also be evaluated for reasonableness and balance. Id.

² The solicitation provided that an unacceptable rating for any subfactor would render a proposal ineligible for award. RFP § M ¶ 2.2.1.

CAMMO Enterprise Data Information Management System (CEDIMS) cybersecurity for the processing, storage, access, distribution, and protection of Unclassified Controlled Technical Information (UCTI).” Id. ¶ 3.2.2.2.1. This evaluation criterion provided a cross-reference to PWS § 3.6.3.23, which required offerors to demonstrate how they would accomplish the various tasks, which included the following:

As part of CEDIMS, the CAMMO contractor is required to use, maintain, and modify as needed (with government approval) the following government provided tools/applications/databases:

- a) Cable Management System
- b) Central Data Library
- c) Data Warehouse
- d) Electronic Air Force Technical Order/
Technical Order Management System
- e) Electronic Inter-Range Operations Number (eIRON)

PWS § 3.6.3.23 (certain acronyms deleted). These were five of the over 20 government-furnished equipment (GFE) tools/applications/databases listed in the PWS. Id. § 3.9.1.2. Offerors were informed that the evaluation criteria, i.e., demonstrating a comprehensive understanding and executable approach, “must be clearly met for a proposal to be considered acceptable.” RFP § M ¶ 3.2.1.

The agency received four proposals by the initial deadline of May 5, 2015,³ and established a competitive range of three offerors, including L-3 NSS and Honeywell. Memorandum of Law (MOL) at 7; Agency Report (AR), Tab 4, Competitive Range Determination, at 2.

The agency opened discussions with the offerors in the competitive range and, after the first round, concluded that L-3 NSS and the third offeror had resolved all outstanding technical flaws and that their proposals were technically acceptable. COS at 15. Throughout three discussion rounds, the agency expressed concerns about Honeywell’s approach to the use, maintenance, and modification of the five GFE tools under PWS § 3.6.3.23. AR, Tab 14, Initial Evaluation Briefing; Tab 18, Evaluation Notices (ENs), at 1, 2, 3. In each round, the Air Force informed Honeywell that it had not provided enough information about its approach. Id.

On April 8, 2016, after the close of discussions, the Air Force sent a final communication to the offerors. See, e.g., AR, Tab 15, Air Force FPR Ltr. to

³ Certain information, including an organizational conflict of interest mitigation plan and information supporting a responsibility determination had been submitted on April 3, 2015. Contracting Officer’s Statement (COS) at 14.

Honeywell, Apr. 8, 2016. In its letter to the protester, the agency explained: “[y]ou have not adequately addressed your approach to using, maintaining and modifying the GFE tools/applications/ database.” Id. at 1. The Air Force informed Honeywell that its proposal had a rating of unacceptable for the maintenance and sustainment subfactor and a corresponding rating of high risk. Id. at 6. The agency cautioned Honeywell that “[i]f these issues are not all corrected in your FPR [final proposal revision] to become compliant with the RFP’s Section M requirements, your proposal will be assessed as “unawardable” IAW [in accordance with] Section M, Paragraph 2.2.1.” Id. at 1 (bold removed, underlining in original).

Final proposals were due on April 15, 2016. MOL at 8. The agency’s final evaluation was as follows:

	L-3 NSS	Honeywell
Technical Approach		
- Operations	Acceptable	Acceptable
- Maintenance & Sustainment	Acceptable	Unacceptable
- Program Management	Acceptable	Acceptable
Technical Risk		
- Operations	Low Risk	Low Risk
- Maintenance & Sustainment	Low Risk	High Risk
- Program Management	Low Risk	Low Risk
Total Evaluated Price	\$440,190,572	\$431,863,241

AR, Tab 12, Source Selection Decision Document, at 4. The agency concluded that Honeywell’s proposal “failed to demonstrate a comprehensive understanding and executable approach for CEDIMS cybersecurity” and its proposed solution was “not executable.” Id. at 6. Honeywell’s proposal received an unacceptable rating for the maintenance and sustainment technical approach subfactor because it did not clearly meet the solicitation requirements. Id. at 7. As a result, it was considered unawardable. Id. at 4.

During the proposal process, L-3 NSS was purchased by CACI International Inc. (CACI). On March 17, before the close of discussions and prior to the due date for final proposals, the agency requested that L-3 NSS provide information about its ability to access financing and corporate resources. AR, Tab 11, Air Force Ltr. to L-3 NSS, Mar. 17, 2016, at 1-3. On March 22, L-3 NSS responded that, effective February 1, 2016, CACI had “acquired all [of] the assets of L-3 National Security Solutions, Inc. through a stock purchase agreement.” Id., L-3 NSS Ltr. to Air Force, Mar. 22, 2016, at 2. The company highlighted that it now had access to a new \$1 billion credit facility (i.e., a revolving line of credit), and that its new parent company had access to a \$2 billion credit facility. Id. at 2, 5. L-3 NSS also confirmed that “[t]he proposed work to be performed under this solicitation will be

done by the same legal entity that performed the work in these [past performance] references” and that it was “the same legal entity” as the newly-named CACI NSS.⁴ Id. at 2-3.

On June 8, the agency made award to L-3 NSS. Id. at 10. The agency informed Honeywell of the award on June 13, and provided Honeywell with a debriefing on June 21. MOL at 22. This protest followed.

DISCUSSION

Honeywell claims that the agency conducted misleading discussions and challenges the Air Force’s evaluation of its proposal, alleging that the agency’s evaluation was not only flawed, but also unequal as compared to its evaluation of the awardee’s proposal. Honeywell also argues that the Air Force failed to consider the impact of the sale of L-3 NSS to CACI on L-3 NSS’ ability to perform the work at issue here. We have reviewed all of the protest grounds and find that none provides a basis to sustain the protest. However, we discuss several of the most significant allegations below.

Misleading Discussions

Honeywell contends that the Air Force engaged in misleading discussions with regard to the five GFE tools. Honeywell Comments at 14. As described below, we find that the agency had a reasonable basis to conclude that Honeywell’s proposal was technically unacceptable.

It is a fundamental principle of negotiated procurements that discussions, when conducted, must be meaningful; that is, the discussions must be sufficiently detailed and identify the deficiencies and significant weaknesses found in an offeror’s proposal that could reasonably be addressed so as to materially enhance the offeror’s potential for receiving award. FAR § 15.306(d)(3); InfoPro, Inc., B-408642.2, B-408642.3, Dec. 23, 2014, 2015 CPD ¶ 59 at 6; PAI Corp., B-298349, Aug. 18, 2006, 2006 CPD ¶ 124 at 8. Further, an agency may not mislead an offeror--through the framing of a discussion question or a response to a question--into responding in a manner that does not address the agency’s concerns, or misinforms the offeror concerning a problem with its proposal or about the government’s requirements. Refinery Assocs. of Texas, Inc., B-410911.2, Mar. 18, 2015, 2015 CPD ¶ 116 at 6. Although discussions must address deficiencies and significant weaknesses identified in proposals, the precise content of discussions is largely a matter of the contracting officer’s judgment. Honeywell Tech. Sols., Inc., B-400771, B-400771.2, Jan. 27, 2009, 2009 CPD ¶ 49 at 10. The requirement to

⁴ Despite the name change, for clarity, we will continue to use the awardee’s original name, L-3 NSS, which is used throughout the awardee’s proposal.

conduct meaningful discussions is satisfied when an agency identifies deficiencies and significant weaknesses in each offeror's proposal that could reasonably be addressed in a manner to materially enhance the offeror's potential for award. PAI Corp., supra. An agency only needs to lead an offeror into the areas of its proposal requiring amplification or revision; all-encompassing discussions are not required, nor is the agency obligated to "spoon-feed" an offeror as to each and every item that could be revised to improve its proposal. ITT Indus. Space Sys., LLC, B-309964, B-309964.2, Nov. 9, 2007, 2007 CPD ¶ 217 at 12.

The Air Force conducted three rounds of discussions, each time issuing an EN to Honeywell in reference to the requirement to demonstrate how Honeywell would use, maintain and modify the five GFE tools. AR, Tab 18, Honeywell EN 253; RFP § M ¶ 3.2.2.2.1. In the first round, Honeywell was informed that its proposal "does not provide sufficient information to evaluate its approach to using, maintaining, and modifying as needed (with Government approval) the Government provided tools/applications/ databases." Id. at 3. Honeywell amended its proposal to state: "[DELETED]." AR, Tab 27, Honeywell Proposal Amend. Round 1, Dec. 22, 2015, at 16.

In the second round of discussions, the Air Force advised Honeywell that "[DELETED] is not an approach which the government can evaluate." AR, Tab 18, Honeywell EN 253, at 3. In response, Honeywell's answer was almost the same as before. Specifically, it stated that, "[DELETED]"⁵ AR, Tab 28, Honeywell Proposal Amend. Round 2, Feb. 3, 2016, at 12.

In the third and final round of discussions, the Air Force again tried to advise Honeywell that it had not provided sufficient information about its use, maintenance and modification of the five GFE tools. AR, Tab 18, Honeywell EN 253, at 2. In this regard, the agency stated:

Offeror does not provide sufficient information to evaluate their approach to using, maintaining, and modifying as needed (with Government approval) the Government provided tools/applications/ databases. The Offeror's [sic] describes their approach to transitioning the GFE tools/applications/databases; and the Offeror describes their plan for CEDIMS use, maintenance, and modification; but the Offeror does not address the use, maintenance, and modification of the 5 Government provided tools/applications/

⁵ As previously stated, CEDIMS is the CAMMO Enterprise Data Information Management Systems, which includes--but is not limited to--the five GFE tools. As acknowledged in Honeywell's proposal, the five GFE tools listed above were only a few of the 22 GFE tools, and multiple corporate tools, together termed "CEDIMS tools." AR, Tab 26, Honeywell Initial Technical Proposal, at 76.

databases while under CAMMO. For example, if one of the 5 Government provided tools requires the CAMMO contractor to modify that tool to address a tool deficiency affecting the CAMMO contractor's ability to accomplish the PWS, the Government currently does not have a description of the Offeror's approach to evaluate if or how the Offeror plans to accomplish this work. This example is provided to convey the type of information the Government could use to evaluate the Offeror's approach regarding this PWS and is specific only to the "modify" portion of the PWS requirement.

AR, Tab 18, Honeywell EN 253, at 2.⁶

Once more, Honeywell amended its proposal, adding that "[DELETED]" the five GFE tools. AR, Tab 29, Honeywell Proposal Amend. Round 3, Feb. 16, 2016, at 3. Honeywell stated that its modification approach would [DELETED]. Id.

In the letter issued to Honeywell after discussions and prior to submission of final proposals, the Air Force stated--essentially for the fourth time--that Honeywell's "[DELETED]" does not adequately explain how you will use, maintain and modify the GFE tools referenced in PWS 3.6.3.23." AR, Tab 15, Air Force FPR Ltr. to Honeywell, Apr. 8, 2016, at 1. Honeywell submitted its final proposal revision, this time stating that modifications to the GFE tools "[DELETED]," and [DELETED]. AR, Tab 30, Honeywell Technical Proposal Final Change Pages, at 8-10. Id.

The Air Force again found the explanation wanting, concluding that the proposed formal [DELETED] processes [DELETED] failed to adequately address modification of these five specific GFE tools/applications/databases. AR, Tab 5, Proposal Analysis Report, at 269. Further, the agency found that the protester "lacks a comprehensive understanding of the requirement" due, in part, to "[DELETED]," because "[DELETED]." AR, Tab 5, Proposal Analysis Report, at 271. Id.

In challenging the adequacy of discussions, Honeywell argues that the agency should have been more explicit if it considered [DELETED]. Protest at 18. The protester also alleges that the agency misunderstood the PWS, and thus failed to see that Honeywell's response was adequate given that the five GFE tools are part of the CEDIMS. Honeywell Comments at 13.

⁶ In addition to the written ENs, the agency conducted a recorded teleconference with each offeror "after each [r]ound of ENs was released" to discuss any questions arising from the ENs and the recordings were provided to the offerors. COS at 20; AR, Tab 5, Proposal Analysis Report, at 40. According to the Air Force, Honeywell "never indicated any confusion with the EN [253] or the Government's expectations." Id.

In our view, the record shows, time and again, that the agency met its obligations and led Honeywell directly to the area of concern, *i.e.*, Honeywell's proposed process for the use, maintenance and modification of the five GFE tools, thus satisfying its obligation to conduct meaningful discussions. PAI Corp., supra. Yet despite multiple discussion rounds, Honeywell failed to avail itself of the opportunity to question the agency about the substance of the EN. Honeywell's decision to provide minimal tweaks to its proposal language, instead of questioning the agency to discover the root of its ongoing misunderstanding, is not a basis to conclude that the agency's discussions were misleading.

Although Honeywell contends that the agency should have more clearly "expressed this view [regarding [DELETED]] in its FPR letter," Protest at 18, agencies are not required to "spoon feed" offerors during discussions. TT Indus. Space Sys., LLC, supra. Indeed, doing so could deprive the agency of the opportunity to assess whether the offeror has a clear understanding of the requirements. See, e.g., CEdge Software Consultants, LLC, B-409380, Apr. 1, 2014, 2014 CPD ¶ 107 at 6 ("This is particularly true where, . . . one aspect of the evaluation is to test the offeror's technical understanding."). On this record, we have no basis to conclude that the agency's discussions were misleading.

Honeywell Technical Evaluation

Honeywell also maintains that the Air Force was unreasonable in concluding that its approach to modifying the five GFE items was not executable and thus technically unacceptable. Honeywell Comments at 6. In this respect, Honeywell argues that the agency erred in concluding that Honeywell proposed to apply a formal process to modifications of the five GFE tools [DELETED]. Id. at 11-12. Further, Honeywell claims that the Air Force failed to recognize that it proposed a variety of methods in which [DELETED], and that many of these methods did not rely on the formal process [DELETED]. Id. at 11-12.

In reviewing protests of an agency's evaluation, our Office does not reevaluate proposals, rather, we review the record to determine if the evaluation was reasonable, consistent with the solicitation's evaluation scheme and procurement statutes and regulations, and adequately documented. See Wackenhut Servs., Inc., B-400240, B-400240.2, Sept. 10, 2008, 2008 CPD ¶ 184 at 6; Cherry Road Techs.; Elec. Data Sys. Corp., B-296915 et al., Oct. 24, 2005, 2005 CPD ¶ 197 at 6. The evaluation of technical proposals is primarily the responsibility of the contracting agency, because the agency is responsible for defining its needs and identifying the best method of accommodating them. Wyle Labs., Inc., B-311123, Apr. 29, 2008, 2009 CPD ¶ 96 at 5-6. In this regard, a protester's disagreement with the agency's judgments, without more, does not render an evaluation unreasonable. See, e.g., METAG Insaat Ticaret A.S., B-401844, Dec. 4, 2009, 2010 CPD ¶ 86 at 4.

Prior to submitting its final proposal revision, Honeywell was advised that its proposal still had a rating of unacceptable under the maintenance and sustainment technical subfactor because its proposal had not adequately described how it intended to use, maintain, and modify the five GFE tools. AR, Tab 15, Air Force FPR Ltr. to Honeywell, Apr. 8, 2016. Therefore, once again, Honeywell modified its proposal, this time stating that a specific Air Force instruction (AFI) required the contractor and the agency to follow a formal [DELETED] process for modifications to the five GFE tools/applications/databases. AR, Tab 30, Honeywell Technical Proposal Final Change Pages, at 9 (“[DELETED]”).⁷

According to the Air Force, only modifications to mission systems follow the guidance in AFI 63-101, and these modifications are accomplished by obtaining a formal review from the configuration review board at Air Force Space Command headquarters. MOL at 15. The agency contends that these procedures are not appropriate for modification of the five GFE tools, because “[t]he 5 GFE tools in question are not ‘mission systems’” nor Air Force configuration-managed assets. Id. The Air Force maintains that this proposed process shows that the protester “lacked a comprehensive understanding of the requirement.” MOL at 24.

Honeywell alleges that it did not propose to follow the formal process [DELETED], but instead described a less formal process for modification of the five GFE tools/applications/databases. Honeywell Comments at 7; AR, Tab 30, Honeywell Technical Proposal Final Change Pages, at 9-10; fig. 2.2.1.2-2. However, the Air Force contends that it reviewed Honeywell’s proposal and reasonably understood that Honeywell intended this less formal process to apply to “[DELETED].” MOL at 38; AR, Tab 30, Honeywell Technical Proposal Final Change Pages, at 10. We agree that, based on the language of the proposal, the Air Force reasonably concluded that Honeywell only proposed to use this less formal processes in the “[DELETED]” listed above, which are distinguishable from modification of all five GFE tools/applications/databases. MOL at 23-24; AR, Tab 30, Honeywell Technical Proposal Final Change Pages, at 9. At the very least, the proposal is unclear as to what procedures it proposes for modification of the five GFE tools/applications/databases.

On this record, we find that the agency had a reasonable basis for its conclusion that Honeywell’s proposal did not clearly meet the minimum requirements of the solicitation. The solicitation provides that a proposal will receive a rating of unacceptable for a technical subfactor when its proposal does not clearly meet the requirements of the solicitation. RFP § M ¶¶ 2.1.1; 3.1.1. An offeror whose proposal receives a rating of unacceptable for any technical subfactor may not be awarded the contract. RFP § M ¶ 2.2.1. While Honeywell asserts that the agency’s

⁷ AFI 63-101/20-101 (March 7, 2013) contains instructions regarding these modifications.

evaluation was unreasonable, its arguments reflect disagreement with the agency's judgment and provide no basis to sustain this protest. IBM U.S. Fed., a division of IBM Corp.; Presidio Networked Sols., Inc., B-409806 et al., Aug. 15, 2014, 2014 CPD ¶ 241 at 18. Furthermore, it is the offeror's obligation to submit an adequately written proposal, and it runs the risk that its proposal will be evaluated unfavorably when it fails to do so. See Savantage Fin. Servs., Inc., B-299798, B-299798.3, August 22, 2007, 2007 CPD ¶ 214 at 8. Here, especially after three rounds of discussions and a pre-final proposal revisions letter, the agency had a reasonable basis to conclude that Honeywell did not demonstrate a clear understanding of the solicitation.

Unequal Evaluation

Honeywell also argues that the Air Force conducted an unequal evaluation of its and L-3 NSS' proposals with regard to the five GFE tools. Supp. Protest, Aug. 8, 2016, at 2. The protester points to a short portion of L-3 NSS' proposal excerpted in the agency's evaluation, contending that its proposal was similar and should have received the same rating. Supp. Protest at 2-3, citing AR, Tab 5, Proposal Analysis Report, June 8, 2016, at 165-67. The Air Force explains, however, that "L-3's proposal shows that it understands the need to modify the [DELETED] [while Honeywell], on the other hand, expressly stated in its proposal that [DELETED], a technical belief that is not shared by the Government." Supp. MOL at n.1.

In our view, the record does not support Honeywell's contention that the offerors proposed the same features and were given different ratings. Rather, our review indicates that the offerors proposed different approaches and reasonably received different ratings. See, e.g., AR, Tab 54, L-3 NSS Proposal, at 58-59 (outlining L-3 NSS' software modification steps). In sum, we find Honeywell's disagreement with the agency's judgment insufficient to establish that the agency acted unreasonably. See InfoPro, Inc., B-408642.2, B-408642.3, Dec. 23, 2014, 2015 CPD ¶ 59 n.20. Furthermore, the protester does not argue that L-3 NSS' proposal did not demonstrate a clear understanding of the solicitation with respect to the GFE, only that Honeywell's proposal similarly merited an acceptable rating under subfactor 2. Supp. Protest at 5. In effect, the protester concedes that L-3 NSS' proposal satisfies the minimum requirements of the solicitation. As above, we find that the agency had a reasonable basis for its evaluation of Honeywell's proposal.

Sale of L-3 NSS

Finally, Honeywell contends that the sale of L-3 NSS to CACI deprived the awardee of resources and technology needed for L-3's technical approach, and that the Air Force failed to account for this in its evaluation. Honeywell Comments at 20. Specifically, Honeywell contends that L-3 NSS expressly proposed to rely on two former corporate affiliates of L-3 for support, although those entities were no longer affiliates of L-3 NSS after its sale to CACI. Id. at 22. Honeywell also argues that

our decision in Wyle Labs. should lead our Office to conclude that the agency failed to properly evaluate L-3 NSS' proposal. Protest at 23, citing Wyle Labs., Inc., B-408112.2, Dec. 27, 2013, 2014 CPD ¶ 16 at 4 (protest sustained where the record showed that the protester did not intend to perform the contract as described in its proposal due to a corporate sale that occurred after receipt of final proposals). We disagree.

As a factual matter, the record here shows that both the sale of L-3 NSS, and the agency's related inquiries, occurred prior to the receipt of final proposals, which is fundamentally different from the posture of the procurement we addressed in Wyle Labs. In addition, on March 17, prior to submission of final proposals, the Air Force wrote to L-3 NSS asking the company to provide additional information about its resources "to perform the contract requirements based on the contractor's proposed approach." AR, Tab 11, Air Force Ltr. to L-3 NSS, at 1. L-3 NSS responded on March 22, explaining that CACI had acquired L-3 NSS through a stock purchase agreement and confirming that L-3 NSS had access to a \$1 billion credit facility for itself, and that its new parent had access to a \$2 billion credit facility. Id. at 4-17. We have no basis to conclude that the agency unreasonably found this information was sufficient to address the concerns raised in the agency's March 17 letter. Further, on April 15, L-3 NSS submitted its final proposal revision and confirmed that no changes had been made to its technical volume beyond those made during discussions. AR, Tab 10, L-3 NSS Ltr. at 1. The awardee did, however, again notify the agency of its sale and stated that it used the resulting "cost efficiencies and lower indirect rates" to improve its price. Id.

As a legal matter, our concern regarding corporate restructuring in the middle of a competition has been whether an offeror's proposal relies on resources that may no longer be available after the corporate restructuring. See FCi Federal, B-408558.7, B-408558.8, Aug. 5, 2015, 2015 CPD ¶ 245 at 7, citing Wyle Labs., supra, at 8. Historically, our analysis in this respect has been fact-specific, hinging on whether reliance on any such resources is material to the performance of the contract. See, e.g., IBM U.S. Fed., supra, at 21 (protest denied where corporate restructuring was unlikely to "have any significant cost or technical impact on performance of the requirements"). Cf. FCi Federal, Inc., supra, at 7 (protest sustained where awardee would continue to rely on former corporate parent for "management capability, corporate resources, corporate experience, past performance, and financial resources"). In Wyle Labs., we found that an agency had an obligation to consider the implications of an offeror's announcement of an intent to split into different business entities, where that plan was specifically identified in the offeror's proposal and the offeror advised the agency that it intended to novate the contract to a business entity not yet in existence if awarded the contract. See Wyle Labs., supra, at 8-11.

In conclusion, the record shows that the Air Force was aware of the sale, and had obtained information about the awardee's ability to perform the contract

independent of its former parent. Furthermore, there is no indication that the awardee will not be able to perform the contract in the manner described in its proposal in all material respects. To the extent that Honeywell argues that L-3 NSS's proposal includes minor references to software or services formerly obtained through L-3's parent or sister companies, the awardee has confirmed that those references are correct. Id. Should L-3 NSS later fail to have access to these during performance of the contract, that is a matter of contract administration that our Office will not consider. 4 CFR § 21.5(a).

The protest is denied.

Susan A. Poling
General Counsel