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## Decision

**Matter of:** SupplyCore, Inc.  
**File:** B-411648.2; B-411648.3  
**Date:** February 21, 2017

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Pamela J. Mazza, Esq., Michelle E. Litteken, Esq., and Megan C. Connor, Esq., PilieroMazza PLLC, for S&K Aerospace, LLC, the intervenor.  
Col. C. Taylor Smith, Anna F. Kurtz, Esq., Alexis J. Bernstein, Esq., and Maj. Christopher M. Wu, Department of the Air Force, for the agency.  
Paula J. Haurilesko, Esq., and Laura Eyester, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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### DIGEST

1. Protest that the agency applied unstated evaluation criteria to the past performance factor is denied, where the agency evaluated past performance based on criteria logically encompassed within the stated factor.
  2. Protest that the agency failed to evaluate the quality of the protester's past performance with respect to small business participation is denied, where the agency reasonably found the protester's past performance to be not relevant.
  3. Protest that the agency unreasonably determined that the awardee's past performance exceeded contract requirements is denied, where the record shows that the agency had a reasonable basis for its determinations.
  4. Protest that the agency failed to properly consider the protester's lower price is denied, where the record shows that the source selection official was aware of the offerors' total evaluated prices as well as the percentage difference in price.
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### DECISION

SupplyCore, Inc., of Rockford, Illinois, protests the award of a contract to S&K Aerospace, LLC, of Warner Robins, Georgia, by the Department of the Air Force under request for proposals (RFP) No. FA8630-14-R-5030, for logistics supply, maintenance, and task order support. SupplyCore challenges the Air Force's

evaluation of the firm's and S&K's past performance, alleges that the agency failed to give proper consideration to SupplyCore's lower price, and otherwise challenges the agency's selection decision.

We deny the protest.

## BACKGROUND

The RFP, issued on April 20, 2015, provided for the award of an indefinite-delivery/indefinite-quantity contract for logistics supply and maintenance support, and analytical/technical services for foreign military sales (FMS) partners under the Air Force's Parts and Repair Ordering System V (PROS V) program.<sup>1</sup> RFP at 177. The RFP contemplated a total contract value of \$4.2 billion and a 15-year performance period, consisting of a 5-year base ordering period, five 1-year options, and a 5-year closeout period. Id.

The RFP stated that proposals were to be evaluated under three factors: technical capability, past performance, and price. RFP at 228-229. The technical capability factor was to be evaluated on an acceptable/unacceptable basis. Id. at 229. Among those proposals determined to be technically acceptable, tradeoffs would be made between past performance and price, with past performance and price being approximately equal. Id. at 228-229. Offerors were advised that if a technically acceptable offeror with a substantial confidence past performance assessment rating is the lowest-priced offeror, award would be made to that offeror without further consideration; otherwise, the government may conclude that a higher-priced, technically acceptable proposal with a higher past performance confidence level offers the best value. Id. at 228.

The technical capability factor consisted of three subfactors: process performance, program management, and small business participation. RFP at 228. Proposals were to be evaluated under each subfactor with respect to a total of 21 measures of merit that corresponded to various sections of the performance work statement. See id. at 229-232.

With respect to past performance, offerors were required to submit information on up to three contracts each for itself and for any subcontractor proposed to perform at least 10 percent of the procurement services. RFP at 191. Additionally, the agency requested that offerors send past performance questionnaires to points-of-contact for each contract to be evaluated for past performance. Id. The past performance questionnaire, which was included in the RFP, requested a description

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<sup>1</sup> PROS V is intended to provide the full range of logistics functions for non-standard and hard-to support parts and related repairs to international customers. RFP at 177.

of the services provided, highlighting any specific experience with diminishing manufacturing sources and material shortages, and the geographic breadth of services provided, among other things. Id. at 220-225. The questionnaire also requested evaluation of performance pertaining to various aspects of technical performance, program management, transition and startup, employee retention, small and small disadvantaged business participation, and competition and negotiation. See id. at 222-223.

The RFP stated that each offeror's past performance would be assigned a performance confidence assessment rating based on an evaluation of the relevance, recency, and quality of the offeror's past performance.<sup>2</sup> Id. at 233. Offerors were advised that, with respect to relevance, the government would evaluate all recent past performance information to determine how closely the products provided and services performed under the contracts related to the technical subfactors. Id. at 234. The RFP also stated that the value of the contract, customer, role of the offeror, and whether the contract involved standard or non-standard parts may also be considered in the relevancy assessment. Id. With respect to the quality of the past performance, the RFP stated that the assessment would focus on performance relevant to the technical subfactors, but that all aspects of performance that relate to the acquisition may be considered.<sup>3</sup> Id. at 235.

Price was to be evaluated for reasonableness and balance based on a total evaluated price. RFP at 232. The RFP required offerors to complete a pricing matrix that included contract line item numbers (CLIN). Id. Offerors were informed that the pricing matrix would calculate the total evaluated price based on the sum of all CLIN prices for the base period and all option periods. Id. at 232-233. Offerors were to provide prices for CLINs for a fill fee, research fee, expedite order fee, contingency operations fee, and a price and availability fee. Id. at 156. Prices for CLINs for task orders, travel expenses, estimated material/maintenance pass through cost, and objective performance incentive were provided by the Air Force and included in the calculation of total evaluated price. Id.

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<sup>2</sup> The RFP stated that offerors would receive one of the following performance confidence assessment ratings: substantial confidence, satisfactory confidence, limited confidence, no confidence, or unknown confidence (neutral). RFP at 233.

<sup>3</sup> The RFP provided for the following past performance quality ratings: exceptional, very good, satisfactory, marginal, unsatisfactory, and not applicable. As relevant here, the RFP stated that an exceptional rating would be given where, "[d]uring the contract period, contractor performance is meeting (or met) all contract requirements and consistently exceeding (or exceeded) many. Very few, if any, minor problems encountered. Contractor took immediate and effective corrective action." RFP at 236.

The Air Force received four proposals. After engaging in three rounds of discussions, the source selection evaluation board (SSEB) found three proposals to be technically acceptable, including SupplyCore's and S&K's. The offerors' proposals received the following ratings:

	<b>SupplyCore</b>	<b>S&amp;K</b>
<b>Technical Capability</b>	Acceptable	Acceptable
<b>Past Performance</b>	Satisfactory Confidence	Substantial Confidence
<b>Total Evaluated Price</b>	\$4,007,180,003	\$4,010,103,446

Agency Report (AR), Tab 54, Source Selection Decision Document (SSDD), at 4.

In accordance with the RFP, to determine the relevance of offerors' past performance, the past performance evaluation team (PPET) considered information provided through offerors' proposals, questionnaires, contractor performance assessment reports (CPAR), and follow-up interviews and e-mails. AR, Tab 50, Proposal Analysis Report, at 7; see RFP at 190, 233-235. The PPET evaluated the

information provided against the following 14 activities derived from the measures of merit identified under the technical capability subfactors:

Technical Capability Subfactors		
Process Performance	Program Management	Small Business Participation
<ul style="list-style-type: none"> <li>• Research and procure Department of Defense <b>diminishing manufacturing sources and material</b> shortages items or repairs</li> <li>• Solicit bids, proposals, and quotes from vendors</li> <li>• Document fair and reasonable pricing in a pricing memorandum</li> <li>• Deals with international customers</li> <li>• Ship and packaging items internationally according to military standards</li> <li>• Handle classified and/or hazardous materials</li> </ul>	<ul style="list-style-type: none"> <li>• Contract start-up</li> <li>• Staffing</li> <li>• Vendor qualification</li> <li>• Quality assurance</li> <li>• Organizational conflict of interest</li> <li>• Security management</li> <li>• Contract close-out</li> </ul>	<ul style="list-style-type: none"> <li>• Past performance contract included Federal Acquisition Regulation (FAR) clauses 52.219-8, Utilization of Small Business Concerns and 52.219-9, Small Business Subcontracting Plan</li> </ul>

AR, Tab 63, Past Performance Relevancy Matrix. The PPET determined that a past performance contract was very relevant under the process performance subfactor if the effort involved five or six of the process performance activities; a contract was considered relevant for process performance if the effort involved three or four activities; and a contract was considered somewhat relevant if the effort involved one or two activities. Id. Similarly, a past performance contract was very relevant under the program management subfactor if the effort involved six or seven of the program management activities; relevant if the effort involved four or five activities; and somewhat relevant if it involved two or three activities. Id. Under the small business participation subfactor, a contract was considered relevant if it

included the two FAR clauses and not relevant if it did not include those clauses. Id.

SupplyCore submitted information for three contracts for itself and three for its subcontractor. The PPET assigned the following relevance ratings:

	Technical Capability Subfactors		
	Process Performance	Program Management	Small Business Participation
<b>SupplyCore Contracts</b>			
<b>Maintenance, Repair and Operations (MRO) Prime Vendor Japan</b>	Relevant	Relevant	Not Relevant
<b>Global Fleet Automotive Support Initiative</b>	Very Relevant	Relevant	Not Relevant
<b>Warner Robins Air Logistics Complex C-130</b>	Very Relevant	Relevant	Not Relevant
<b>Subcontractor Contracts</b>			
<b>FMS Repair and Return (#1)</b>	Relevant	Relevant	Not Relevant
<b>FMS Repair and Return (#2)</b>	Relevant	Very Relevant	Not Relevant
<b>Repair, Replace and Return</b>	Relevant	Relevant	Not Relevant

See AR, Tab 46, SupplyCore’s Relevancy Consensus Worksheets, at 4-22. As relevant here, the PPET determined that SupplyCore’s past performance was not relevant for small business participation because the firm was not required to prepare a small business subcontracting plan under the contracts.<sup>4</sup> Id. at 9, 12, 15.

<sup>4</sup> The PPET found the past performance of SupplyCore’s proposed subcontractor was not relevant because its past performance information indicated that FAR compliance was not applicable to the contracts. See AR, Tab 46, SupplyCore’s Relevancy Consensus Worksheets, at 6, 18, 22.

S&K also submitted information for three contracts for itself and three for one of its proposed subcontractors. The PPET identified and assessed one additional contract performed by S&K. AR, Tab 50, Proposal Analysis Report, at 38. The PPET assigned the following relevance ratings:

	Technical Capability Subfactors		
	Process Performance	Program Management	Small Business Participation
<b>S&amp;K Contracts</b>			
<b>PROS IV</b>	Very Relevant	Very Relevant	Relevant
<b>Multinational Repair and Return</b>	Very Relevant	Relevant	Not Relevant
<b>Third Party Logistics</b>	Very Relevant	Relevant	Not Relevant
<b>Army Repair and Return</b>	Relevant	Somewhat Relevant	Not Relevant
<b>Subcontractor Contracts</b>			
<b>Prime Vendor Support</b>	Very Relevant	Very Relevant	Not Relevant
<b>Depot Prime Vendor Support</b>	Very Relevant	Relevant	Not Relevant
<b>Aircraft Structural Components Prime Vendor Contract</b>	Relevant	Not Relevant	Not Relevant

See AR, Tab 70, S&K's Relevancy Consensus Worksheets, at 4-25.

In evaluating the quality of the offerors' past performance, the PPET reviewed the past performance information related to each activity deemed relevant under the contract. The PPET contacted the points of contact for the past performance contract questionnaires for clarification as needed.<sup>5</sup> AR, Tab 50, Proposal Analysis Report, at 7. The PPET determined that SupplyCore exceeded a requirement in one activity--shipment and packing of items for international delivery. Id. at 30. The

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<sup>5</sup> In one instance, where no past performance questionnaire was received, the PPET contacted the questionnaire point-of-contact, who declined to answer past performance questions. AR, Tab 47, SupplyCore's Past Performance Quality Worksheet, at 4.

PPET determined that S&K exceeded a total of seven requirements--four in process performance, two in program management, and one in small business participation. Id. at 39. As a result, the SSEB rated SupplyCore with a satisfactory confidence past performance rating and S&K with a substantial confidence past performance rating. AR, Tab 51, Final Evaluation Brief to Source Selection Authority (SSA), at 51, 55.

The SSA reviewed the SSEB's evaluation, the source selection advisory council's recommendation, as well as evaluation reports, and concurred with the SSEB's evaluation of proposals. AR, Tab 54, SSDD, at 1. The SSA noted that based on their past performance records, both SupplyCore and S&K provided products and services that were closely related to the technical subfactors, but that S&K's past performance exceeded the requirements in seven areas, compared to one area for SupplyCore. Id. at 5. The SSA recognized S&K's higher total evaluated price, but noted that the price difference was approximately 0.073 percent, which would be expended over a potential 15-year performance period. Id. The SSA concluded that the higher expectation of successful contract performance was worth S&K's higher price, and on this basis selected S&K for contract award. Id.

After a debriefing, SupplyCore protested to our Office.

## DISCUSSION

SupplyCore raises multiple challenges to the Air Force's evaluation of proposals under the past performance factor and the agency's best-value analysis. For example, SupplyCore argues that the Air Force applied unstated evaluation criteria in assessing the relevance of past performance. The protester challenges the agency's evaluation of the relevancy of its past performance and assignment of a satisfactory past performance confidence level. SupplyCore also argues that the agency lacked a rational basis for determining that S&K's past performance exceeded certain requirements. Finally, SupplyCore challenges the Air Force's best-value tradeoff analysis and award decision. We address a number of SupplyCore's arguments below. In reaching our decision, we have considered all of SupplyCore's arguments, and find that none furnish a basis for sustaining the protest.

### Unstated Evaluation Criteria

SupplyCore argues that the Air Force applied undisclosed criteria in evaluating the relevance and quality of the offerors' past performance in violation of FAR § 15.304(d).<sup>6</sup> The protester contends that the RFP stated that relevance would be

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<sup>6</sup> Section 15.304(d) provides that "[a]ll factors and significant subfactors that will affect contract award and their relative importance shall be stated clearly in the  
(continued...)

determined based only on the value of the contract, customer, role, and standard/non-standard parts. SupplyCore Supp. Comments at 15. SupplyCore also contends that although the RFP asked offerors to address the technical subfactors of process performance, program management, and small business participation with respect to past performance, the RFP did not advise offerors that the agency planned to consider 14 activities based on the technical subfactors' measures of merit. Id. at 15-16. We have reviewed the protester's allegations and conclude that they do not provide a basis to sustain the protest.

It is axiomatic that in a negotiated procurement an agency must evaluate proposals based on the solicitation's enumerated evaluation factors. FAR § 15.305(a); DA Defense Logistics HQ, B-411153.3, Dec. 2, 2015, 2015 CPD ¶ 358 at 4. An agency may properly apply evaluation considerations that are not expressly identified in the RFP if those considerations are reasonably and logically encompassed within the stated evaluation criteria, so long as there is a clear nexus linking them. Phoenix Air Grp., B-412796.2, B-412796.3, Sept. 26, 2016, 2016 CPD ¶ 308 at 11.

Here, the solicitation stated, with respect to evaluation of an offeror's past performance, that the agency would "conduct an in-depth evaluation of all recent performance information obtained to determine how closely the products provided/services performed under those contracts relate to the Technical Subfactors (Section M Paragraphs 2.1.1-2.1.3)." RFP at 234. Paragraphs 2.1.1 through 2.1.3 of the solicitation set forth the technical subfactors, including the measures of merit for each technical subfactor. There were 21 measures of merit that corresponded to the various subfactors. Specifically, the process performance subfactor included 13 measures of merit; the program management subfactor included 7; and the small business participation subfactor included 1 measure of merit. See RFP at 229-232.

The Air Force explains that, consistent with the RFP, 8 of the 14 activities used to evaluate the relevance of an offeror's past performance mirror the measures of merit identified under the program management and small business participation technical subfactors. The remaining 6 activities are derived from the 13 measures of merit identified under the process performance technical subfactor and focus on specific aspects of the measures of merit that support a rational source selection decision. Supp. Contracting Officer's (CO) Statement at 3. For example, one measure of merit requires an offeror to differentiate between standard and non-standard items and to identify, process, and handle classified and hazardous materials. The evaluators, however, assessed past performance with respect to non-standard and hard-to-support items--rather than the standard items--because

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solicitation. . . . The rating method need not be disclosed in the solicitation. The general approach for evaluating past performance information shall be described."

the focus of the PROS V contract is non-standard and hard-to-support items. Id. at 7-8.

The Air Force also explains that six of the measures of merit under the process performance subfactor were not appropriate for an evaluation of relevance. Supp. CO Statement at 11. For example, one measure of merit under the process performance subfactor is acknowledging receipt of a requisition, which requires posting specific status codes into a management information system specific to the PROS V program. In this case, since only incumbent contractors would have relevant performance pertaining to the information system, the agency did not deem this measure of merit appropriate. Id. at 11-12.

The record shows that the Air Force did not apply unstated evaluation criteria by basing its assessment of past performance on the 14 activities associated with the measures of merit under the technical capability subfactors. As noted above, the RFP advised offerors that the agency's assessment of the relevance and quality of an offeror's past performance would relate to the technical subfactors. See RFP at 234, 235. The measures of merit featured prominently in the section of the RFP addressing the technical subfactors, and identified corresponding sections of the performance work statement. See id. at 229-232. Thus, although the RFP did not specifically inform offerors that the Air Force would evaluate offerors' past performance with respect to the 14 activities, we conclude that these activities are reasonably and logically encompassed within the past performance evaluation criteria, and the protester's objections to the Air Force's evaluation methodology do not provide a basis upon which to sustain the protest.<sup>7</sup>

## Evaluation of Protester's Past Performance

### Relevancy

SupplyCore also challenges the Air Force's determinations of the relevance of the firm's past performance contracts. Specifically, the agency rated four of SupplyCore's six past performance contracts as relevant under the process performance subfactor and five of its six contracts as relevant under the program management subfactor. SupplyCore argues that the agency should have rated all of its contracts as very relevant under both subfactors. We have considered all of SupplyCore's arguments and find that none provide a basis for sustaining the protest. We address one example, below.

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<sup>7</sup> To the extent that SupplyCore argues that the Air Force should have focused solely on the value of the past performance contracts, customer, role, and standard/non-standard parts, the protester presents an untimely challenge to the terms of the solicitation. 4 C.F.R. § 21.2(a)(1).

Where, as here, a solicitation contemplates the evaluation of offerors' past performance, the agency has the discretion to determine the relevance and scope of the performance history to be considered, and our Office will not question the agency's judgment unless it is unreasonable or inconsistent with the terms of the solicitation or applicable procurement statutes and regulations. America's Pride, B-401114, May 27, 2009, 2009 CPD ¶ 116 at 3. A protester's disagreement with the agency's judgment, without more, is insufficient to establish that an evaluation was improper. Beretta USA Corp., B-406376.2, B-406376.3, July 12, 2013, 2013 CPD ¶ 186 at 10.

SupplyCore argues that the Air Force unreasonably found its MRO Prime Vendor Japan contract to be relevant instead of very relevant under the progress performance subfactor. In this regard, the protester challenges the PPET's determination that the contract did not meet the measures of merit for dealing with international customers, documentation of fair and reasonable pricing in a pricing memorandum, and handling classified and/or hazardous materials. SupplyCore Comments at 7-8. SupplyCore contends that under its MRO Prime Vendor Japan contract it supported 86 distinct customers at 114 locations in Japan, Singapore, and Diego Garcia, and that the agency misjudges the significance of its extensive communications with customers, which the protester contends is the proper focus of the applicable measure of merit. Id.

The Air Force explains that, because the primary customer base of the PROS V contract is the agency's FMS (i.e., international) customers, the PPET considered the relevance of the past performance contracts with respect to communications with international customers, rather than customers within the U.S. government. Although the past performance information supplied by SupplyCore indicated that it supported 86 distinct customers at 114 overseas locations, the information also indicated that those customers are U.S. military bases.<sup>8</sup> AR, Tab 10, SupplyCore Past Performance, at 1. As a result, the PPET concluded that U.S. military bases were not within the scope of this requirement. CO's Statement at 17; Supp. CO's Statement at 20-21.

We find reasonable the Air Force's decision to determine the relevance of contracts based on communications with international customers rather than U.S. government customers because the PROS V contract's focus is to serve FMS customers. See,

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<sup>8</sup> The past performance information supplied by SupplyCore described its efforts under the contract as sourcing, procuring, and delivering MRO material for U.S. military bases in Japan, Singapore, and Diego Garcia. See AR, Tab 10, SupplyCore Past Performance Information, at 1. The two past performance questionnaires submitted for the MRO Japan contract provide the same description. See AR, Tab 31, MRO Japan Questionnaire (R), at 1; Tab 37, MRO Japan Questionnaire (E), at 1.

e.g., RFP at 1, 93-95, 177. We also find the agency reasonably determined that SupplyCore's MRO Japan contract did not involve communications with international customers. The protester's disagreement with the Air Force's exercise of its discretion does not provide a basis for our Office to sustain this protest ground.

### Small Business Participation

SupplyCore also argues that the Air Force failed to evaluate the relevancy and quality of its past performance in accordance with the terms of the solicitation. The protester contends that it received CPAR ratings of very good for its small business participation on the past performance contracts it submitted and therefore should have received a higher rating for relevancy and quality for the small business participation subfactor. SupplyCore argues that the agency was required to consider the extent to which the offeror's past performance demonstrates compliance with subcontracting plan goals for small disadvantaged business concerns, monetary targets for small disadvantaged business participation, and reporting requirements. SupplyCore argues that the agency should not have considered compliance with FAR clauses 52.219-8 and 52.219-9. SupplyCore Comments at 11-12. SupplyCore also contends that because it is a small business under the size standard for many solicitations, it was prejudiced by the Air Force's failure to look at all aspects of small business participation. Id. at 12.

The Air Force explains that, in accordance with the RFP, the PPET first determined the relevance of SupplyCore's past performance contract under the small business participation subfactor using the associated measure of merit. Because this measure of merit addresses offerors' compliance with the requirements of FAR clauses 52.219-8, Utilization of Small Business Concerns, and 52.219-9, Small Business Subcontracting Plan, the PPET determined that a past performance contract was relevant if it contained the two FAR clauses. With respect to SupplyCore's past performance contracts, the information indicated that the firm was not required to submit a subcontracting plan and therefore the PPET found the contracts to be not relevant and did not assess them for quality.<sup>9</sup> CO's Statement at 27. The Air Force further explains that, although SupplyCore was a small business under its past performance contracts, the protester is not a small business under the PROS V contract, and therefore will be required to submit a small business subcontracting plan. Supp. CO's Statement at 26. Further, the agency

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<sup>9</sup> In addition to referencing these FAR clauses under the technical subfactor measures of merit, the solicitation explicitly states, under the past performance evaluation factor, that the quality assessment will consider the extent to which the offeror's evaluated past performance demonstrates compliance with FAR clauses 52.219-8 and 52.219-9. RFP at 235.

explains that the solicitation did not consider a lack of past performance quality rating to be an adverse determination. Id. citing to RFP at 235.

The record shows that the agency's evaluation of SupplyCore's past performance under the small business participation subfactor was reasonable and complied with the terms of the solicitation. With respect to relevance, the RFP stated that recent past performance information would be evaluated to determine how closely the products provided and services performed related to the technical subfactors. RFP at 234. As noted by the Air Force, the small business participation measure of merit under the small business participation subfactor focused on the offeror's compliance with the requirements of FAR clauses 52.219-8, Utilization of Small Business Concerns, and 52.219-9, Small Business Subcontracting Plan. Because the protester's past performance contracts did not require a small business subcontracting plan, the PPET reasonably found the contracts not relevant for the subfactor and therefore did not assess the quality of the protester's past performance in this respect. Although the protester contends that the Air Force should have considered its performance with respect to other aspects of small business subcontracting, SupplyCore Supp. Comments at 18, the protester has not demonstrated that the agency's actions are unreasonable.

#### Evaluation of Awardee's Past Performance

SupplyCore argues that the Air Force unreasonably concluded that S&K's past performance exceeded six contract requirements and therefore should not have received a substantial confidence past performance rating.<sup>10</sup> We have considered all of SupplyCore's arguments and find that none provide a basis for sustaining the protest. We address several examples, below.

An agency's evaluation of past performance, which includes its consideration of the relevance, scope, and significance of an offeror's performance history, is a matter of discretion which we will not disturb unless the assessment is unreasonable or inconsistent with the solicitation criteria. WingGate Travel, Inc., B-412921, July 1, 2016, 2016 CPD ¶ 179 at 4; Metropolitan Life Ins. Co., B-412717, B-412717.2, May 13, 2016, 2016 CPD ¶ 132 at 14. Where a protester challenges an agency's past performance evaluation, we will review the evaluation to determine if it was reasonable and consistent with the solicitation's evaluation criteria and procurement statutes and regulations and to ensure that the agency's rationale is adequately documented. DynCorp Int'l, LLC, B-412451, B-412451.2, Feb. 16, 2016, 2016 CPD ¶ 75 at 14; Falcon Envtl. Servs., Inc., B-402670, B-402670.2, July 6, 2010,

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<sup>10</sup> Although SupplyCore generally argues that the agency unreasonably found that S&K exceeded seven contract requirements, the protester substantively challenges only six of the agency's assessments. See SupplyCore Supp. Protest at 5-7; SupplyCore Supp. Comments at 2-12; SupplyCore Second Supp. Comments at 2-7.

2010 CPD ¶ 160 at 7. A protester's disagreement with the agency's judgment, without more, is insufficient to establish that an evaluation was improper. WingGate Travel, Inc., supra; Beretta USA Corp., supra.

SupplyCore argues that the agency unreasonably determined that S&K's performance under its Third Party Logistics contract exceeded the requirements for handling classified and/or hazardous materials. The protester contends that the agency focused on S&K's turnaround time for repairs, which the protester argues is not the appropriate measure for determining whether the requirement for handling classified and/or hazardous materials is met. The protester asserts that the appropriate measurement should be whether the contractor demonstrated it handled the classified and/or hazardous materials consistent with applicable regulations. SupplyCore Second Supp. Comments at 4-5. SupplyCore also asserts that the agency did not provide information showing that the repair times applied to classified and/or hazardous materials. SupplyCore further argues that, even if turnaround time was an acceptable measure, S&K's 179-day average turnaround time did not exceed the contract requirement because the contract allowed 80-1300 days for repairs to be completed, with a standard of 276 days. Id. at 4-5.

The Air Force explains that the evaluation of handling of classified and/or hazardous materials under the past performance factor is derived from the following two measures of merit under the process performance subfactor: (1) differentiate between standard/non-standard items and identify, process, and handle classified, hazardous materials, and other service type items; and (2) package, handle and ship items to customers and vendors in accordance with regulatory guidance. Second Supp. CO's Statement at 8; see RFP at 229-230. The agency states that because the entire Third Party Logistics contract pertains to handling classified parts, S&K's performance under the contract was reasonably tied to the handling of classified and/or hazardous materials activity. The Air Force also explains that because the standard for turnaround time on the parts was 276 days, it considered the standard to be the contract requirement, and therefore S&K's 179-day average turnaround time exceeded that requirement. Second Supp. CO's Statement at 9-10.

The protester has not demonstrated that the agency erred in its evaluation. The CPAR for the Third Party Logistics contract states that S&K was responsible for locating the source of repair for over 130 national stock numbers that are classified items or have classified testing or technical orders, and managing the repair process. AR, Tab 73, S&K's Third Party Logistics 2014 CPAR, at 1. The CPAR further stated that the repaired items were returned in less time than the contractual requirements, where S&K maintained an average below the standard. Id. at 2. In our view, the Air Force reasonably relied on the CPAR description in determining that S&K exceeded the requirement for handling classified parts. While SupplyCore may disagree with the agency's interpretation of the past performance criteria, the protester has not shown that the agency's interpretation was unreasonable.

SupplyCore also argues that the Air Force unreasonably concluded that S&K exceeded the quality assurance requirement (a measure of merit under the program management subfactor) for S&K's Multinational Repair and Return contract. SupplyCore contends that S&K's ISO certification did not demonstrate that the company exceeded the contract requirement of ISO compliance in contract performance.<sup>11</sup> SupplyCore also argues that the agency engaged in unequal treatment because SupplyCore also was ISO certified but was not found to have exceeded the quality assurance requirement. SupplyCore Second Supp. Comments at 6.

The Air Force explains that the point-of-contact for S&K's Multinational Repair and Return contract past performance questionnaire stated that the contract contained a requirement relevant to quality assurance--compliance with ISO standards--and stated that S&K went beyond the requirement and was ISO certified. PPET Chair Statement at 2. With respect to SupplyCore's complaint of unequal treatment, the Air Force states that none of the protester's past performance information indicated that ISO compliance was a contract requirement, and therefore no requirement existed for SupplyCore to exceed. Id. at 3.

The protester's arguments provide no basis for our Office to sustain the protest. As explained by the agency, the determination that the past performance exceeded a contract requirement was identified here by the past performance questionnaire point-of-contact. Specifically, the point-of-contact identified ISO compliance as the contract requirement and identified S&K's ISO certification as exceeding the requirement. See AR, Tab 93, S&K Multinational Repair and Return Contract Follow-up E-mails, at 8. In contrast, because ISO compliance was not identified as a contract requirement for SupplyCore's past performance contracts, the Air Force reasonably did not determine that the protester exceeded the quality assurance activity on this basis.

SupplyCore also challenges the Air Force's determination that S&K exceeded the requirement for quality assurance with respect to the awardee's performance on the Third Party Logistics contract. SupplyCore argues that the agency unreasonably determined that S&K exceeded a contract requirement because S&K repaired 72 parts with zero defects and there were zero supply deficiency reports submitted, which resulted in a determination that S&K exceed the solicitation requirement for a 99 percent defect-free rate. SupplyCore argues that the past performance information did not identify the period of time for which S&K exceeded this 99 percent defect-free rate. SupplyCore Supp. Comments at 11-12.

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<sup>11</sup> "ISO" refers to a family of standards for quality management systems, established by the International Organization for Standardization, a non-governmental organization. See <http://www.iso.org/iso/home/about.htm> (last visited Feb. 6, 2017).

Here, the record shows that the agency did not abuse its discretion in finding that S&K exceeded the requirement for a 99-percent defect-free rate. As relevant here, the RFP provided that an exceptional past performance quality rating would be assessed when, during the contract period, contractor performance is meeting (or met) all contract requirements and consistently exceeding (or exceeded) many. RFP at 236. The Third Party Logistics past performance point-of-contact stated that S&K exceeded the contract requirement to maintain a 99 percent defect-free rate over any given three month period by maintaining a 100 percent defect-free rate for the three years in which the contractor managed the repairs on the contract. AR, Tab 92, S&K Third Party Logistics Contract Follow-up E-mails, at 6. In our view, the agency could reasonably interpret the point-of-contact's statement as meeting the RFP's standard of exceeding the requirement for the contract period. As a result, this ground of protest is denied.

#### Consideration of Price

SupplyCore argues that the Air Force did not properly consider the firm's \$3 million lower price. In this regard, SupplyCore contends that the rationale for contract award that was provided in the final briefing to the SSA did not mention the \$3 million savings that would be realized by awarding to SupplyCore rather than S&K, but instead focused on the percentage difference (0.073 percent) in price. SupplyCore Comments at 13-14.

Source selection officials in negotiated best-value procurements have broad discretion in making price/technical tradeoffs, and the extent to which one may be sacrificed for the other is governed only by the test of rationality and consistency with the solicitation's evaluation criteria. World Airways, Inc., B-402674, June 25, 2010, 2010 CPD ¶ 284 at 12. A protester's disagreement with the 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, without more, does not establish that the source selection decision was unreasonable. See Loyal Source Gov't Servs., LLC, B-407791.5, Apr. 9, 2014, 2014 CPD ¶ 127 at 8.

We find the Air Force's source selection decision to be reasonable and consistent with the stated evaluation criteria. With respect to consideration of SupplyCore's price, the record shows that the SSA's selection was based on an integrated assessment of the technical capability, past performance and total evaluated price of the offers submitted. AR, Tab 54, SSDD, at 1, 4. Although SupplyCore disagrees with the SSA's judgment, it has not shown that this judgment was unreasonable.<sup>12</sup>

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<sup>12</sup> To the extent that SupplyCore objects to the SSA's consideration of the total evaluated price rather than only the CLINs for which offerors were to provide a

(continued...)

SupplyCore also protests that the agency's best-value determination was irrational. However, this assertion is predicated on SupplyCore's assertion that the agency erred in its evaluation of the offerors' past performance. As discussed above, there is no merit in this assertion. On this record, we find no basis to question the agency's price/past performance tradeoff.

The protest is denied.

Susan A. Poling  
General Counsel

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(...continued)

price, the objection is an untimely challenge to the terms of the solicitation. 4 C.F.R. § 21.2(a)(1). The RFP informed offerors that award would be made based upon a tradeoff between the total evaluated price and past performance. See RFP at 228, 232-233.