Decision

Matter of: Leidos, Inc.

File: B-414773; B-414773.2

Date: September 12, 2017

We deny the protest.

BACKGROUND

On December 13, 2016, the DHA issued the RFP under the procedures in Federal Acquisition Regulation (FAR) parts 12 and 15 seeking proposals to provide global nurse advice line services, which includes nurse triage, care advice, care coordination, and
customer service 24 hours a day, 7 days a week to eligible military health service beneficiaries. RFP at 45, 73, 119, 136. The solicitation contemplated the award of a fixed-priced contract with optional cost line items for a 1-year base period with four 1-year options. Id. at 74-75. The RFP provided that award would be made on a best-value tradeoff basis based on the evaluation of three factors, listed in descending order of importance: technical approach, which included four subfactors (telehealth registered nurse (RN) triage approach, care coordination approach, business intelligence and reporting capability, and primary care manager on call approach); present and past performance; and price. Id. at 136-137.

With regard to the telehealth RN triage approach subfactor, the solicitation stated that the agency would evaluate the degree to which the offeror demonstrates a complete approach and experience in telehealth RN triage. Id. at 138. The RFP listed specific criteria for evaluation including, as relevant here, offering multiple modalities to access nurse advice line services, as well as transfer callers, such as through the telephone, mobile application, web-chat, and secure video conferencing. Id.

With regard to the present and past performance factor, the solicitation provided that the agency would assess an offeror’s demonstrated recent and relevant record of performance in providing services that meet the contract’s requirements. Id. at 141. The RFP advised that the agency would consider an offeror’s collective record of all recent and relevant past performance in assessing past performance. Id.

On January 17, 2017, proposals were submitted by four offerors, including Leidos and Optum. Agency Report (AR), Tab 3, Source Selection Decision (SSD), at 1. Following the evaluation of the initial proposals, the agency established a competitive range, which included all four offerors, and opened discussions by sending evaluation notices (ENs) to each competitive range offeror. Id. On April 10, the offerors submitted final proposal revisions, which were evaluated by the agency as follows:  

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1 The agency report was submitted as individually bates-stamped tabs. Citations to the record are to the bates-stamped page of each tab. With respect to the documents that were filed after the agency report, which replaced redacted documents in the report, citations to the record are to the unredacted document’s page number.

2 The RFP provided that the agency would also evaluate a number of “gated criteria” as well as an offeror’s subcontracting plan on an acceptable/unacceptable basis. RFP at 136-137.

3 All four offerors received an acceptable rating under the gated criteria and subcontracting plan factors. AR, Tab 4, Source Selection Advisory Council (SSAC) Comparative Analysis, at 012-013.
In assigning Leidos' proposal an overall good rating under the technical approach factor, the agency concluded that the proposal demonstrated a thorough approach and understanding of the requirements with eight strengths and two weaknesses.  Id. at 167.  With respect to the telehealth RN triage approach subfactor, the agency assigned a weakness because Leidos’ proposal discussed the use of multiple access modalities but did not demonstrate the ability to continue an entire encounter through a modality [DELETED].  AR, Tab 4, SSAC Comparative Analysis, at 019-020.  The agency concluded that this would result in decreased beneficiary satisfaction and risk of increased cost to the government.  Id.  With respect to the care coordination subfactor, the agency assigned a weakness because Leidos’ proposal stated that nurse recommendations for emergency department and non-network urgent care (travelers) [DELETED], which failed to meet the RFP requirement for these encounter types.  Id. at 020.

On May 23, the source selection authority (SSA) selected Optum as the best-value offeror and provided the following explanation:

Optum has the strongest technical proposal with several value enhancing strengths, zero weaknesses identified and an overall rating of “Outstanding” with no less than a “Good” rating in all of the Factor 2: Technical Approach Sub Factors.  As articulated above, there were no meaningful differences between all four offerors’ present and past performances; however, there is a meaningful difference in the technical approaches.  Optum has the second lowest price proposal and escalation rate, with an average of only $2M per year over the incumbent, Leidos, who had the lowest price with a lower rated technical evaluation.  Therefore, based on my rationale described above, I have concluded that Optum’s proposal provides the Government with the best value for the GNAL [global nurse advice line] contract.
Thereafter, Leidos was notified of the source selection decision. This protest followed.

DISCUSSION

Leidos challenges the agency’s technical approach, past performance, and price evaluations, and asserts that the best-value determination was unreasonable. We have reviewed all of Leidos’ allegations and find no merit in any of Leidos’ complaints. We address the protester’s primary arguments herein.4

Technical Approach Evaluation

Leidos asserts that it was unreasonable for the agency to assess its proposal a weakness under the telehealth RN triage approach subfactor. The protester contends that the agency applied an unstated evaluation criterion in assigning the weakness. The protester also contends that the agency improperly combined certain of its strengths under the telehealth RN triage approach subfactor. With respect to the agency’s evaluation of Optum, the protester alleges that the agency improperly assigned a strength related to the awardee’s experience as a prime contractor.5

4 We previously dismissed one of the protester’s arguments in response to the agency’s dismissal request because we found that the protester failed to provide sufficient information to form a valid basis of protest. In this regard, we found that Leidos’ allegations that the agency unreasonably failed to assign a strength to Leidos’ telehealth RN triage approach subfactor, and a weakness to Optum, for the offeror’s redirection rates failed to provide a legal basis of protest because the solicitation did not provide for or contemplate an evaluation of an offeror’s redirection rate. 4 C.F.R. § 21.1(c)(4), (f). We also previously dismissed Leidos’ allegation with respect to Optum’s use of foreign nurses. In this regard, we found that Leidos’ speculation as to the contents of Optum’s proposal did not provided sufficient information to form a valid basis of protest. Id.

5 Leidos’ supplemental protest also raised allegations with respect to unequal treatment in the assignment of strengths. The protester argued that the agency assigned the awardee’s proposal certain strengths for features which Leidos also offered in its proposal but did not receive a strength (digital recordings, reports, dashboard, and business intelligence). The agency fully responded to these allegations in its supplemental agency report and the protester did not meaningfully respond in its supplemental comments. Rather, the protester simply stated that it “stands by the arguments made in its supplemental protest.” Leidos Supp. Comments at 11. Because the agency report addressed this matter and the protester did not meaningfully respond in its comments, we dismiss this issue as abandoned. AeroSage LLC, B-414640, B-414640.3, July 27, 2017, 2017 CPD ¶ 233 at 3 n.4. With respect to the additional examples of unequal treatment presented in Leidos’ supplemental comments, we find that these allegations express no more than disagreement with the agency’s reasoned judgments and do not provide a basis on which to sustain the protest.
In reviewing a protest challenging an agency’s technical evaluation, our Office will not reevaluate proposals, nor substitute our judgment for that of the agency; the evaluation of proposals is a matter within the agency’s discretion since the agency is responsible for defining its needs and the best method of accommodating them. Hygeia Solutions Partners, LLC; STG, Inc., B-411459 et al., July 30, 2015, 2015 CPD ¶ 244 at 6. Rather, we will review the record only to determine whether the agency’s evaluation was reasonable and consistent with the stated evaluation criteria and with applicable procurement statutes and regulations. Shumaker Trucking & Excavating Contractors, Inc., B-290732, Sept. 25, 2002, 2002 CPD ¶ 169 at 3. A protester’s disagreement with the agency’s evaluation judgments, without more, does not render those judgments unreasonable. Hygeia Solutions Partners, LLC; STG, Inc., supra.

Leidos contends that the weakness assigned to its proposal under the telehealth RN triage approach subfactor was unreasonably based upon an unstated evaluation criterion because the RFP did not require an offeror to demonstrate that it could use multiple modalities throughout the entire encounter. As stated above, the RFP explained that the agency’s evaluation would assess the degree to which a proposal demonstrates a complete approach and experience in telehealth RN triage to include offering multiple modalities to access nurse advice line services, as well as transfer callers, such as through telephone, mobile application, web-chat, and secure video conferencing. RFP at 138. The agency’s evaluation of Leidos’ proposal found that the protester discussed multiple modalities but did not demonstrate the ability to continue an entire encounter through a modality [DELETED]. AR, Tab 5, Technical Consensus, at 15; Tab 4, SSAC Comparative Analysis, at 019-020.

An agency must evaluate proposals based only on the solicitation’s enumerated evaluation factors. RTI Int’l., B-411268, June 26, 2015, 2015 CPD ¶ 206 at 12. Although a solicitation must identify all major evaluation factors, it need not identify all areas within each factor that might be taken into account in an evaluation, provided such unidentified areas are reasonably related to, or encompassed by, the stated evaluation factors. BOSH Global Services, B-413115, Aug. 11, 2016, 2016 CPD ¶ 218 at 4-5.

Here, the agency found that the protester’s proposal provided that [DELETED]. AR, Tab 5, Technical Consensus, at 15. The agency assigned a weakness to this aspect of the proposal because the proposal did not provide [DELETED] throughout the telehealth RN triage encounter. Id. The agency concluded that this created a risk of unsuccessful performance and was likely to result in decreased beneficiary satisfaction. Id. We find nothing unreasonable about the agency’s evaluation in this regard.

While we agree with the protester that the RFP did not specifically state that the offeror had to demonstrate its ability to maintain multiple modalities throughout the encounter, the RFP requested the offeror to provide a complete approach in telehealth RN triage to include the use of multiple modalities. Thus, the agency’s consideration of whether the multiple modalities proposed could be used for the entirety of the encounter is reasonably related to whether the offeror provided a complete approach. Indeed, the
protester was aware of the agency’s concern with respect to Leidos’ [DELETED] throughout the encounter prior to submitting its final proposal revision. In this regard, the agency notified the protester during discussions that “Leidos’ proposal discusses the use of multiple access modalities, but does not [DELETED]. Describe in detail [DELETED] throughout the encounter[,]” AR, Tab 19, Leidos EN Response, at 827. Accordingly, we conclude that the agency’s consideration of the use of multiple modalities throughout the encounter was reasonably contemplated by the stated evaluation criteria, and not based on unstated evaluation criteria, as the protester alleges; we have no basis to object to the agency’s assignment of a weakness.

Leidos also alleges that the agency combined two independent strengths into one overall strength under Leidos’ telehealth RN triage approach subfactor. The protester argues that it should have received a strength for its ability to direct patients to the most clinically appropriate level of care independent of the strength assigned its proposal for experience as an incumbent. In response, the agency asserts that the evaluators reviewed Leidos’ proposal and assigned a strength for Leidos’ experience providing program management and RN telehealth to continental United States (CONUS) beneficiaries. The agency contends that Leidos’ proposal did not merit another independent strength for its ability to direct patients to the most appropriate level of care. Based upon our review of the record, we find that the agency’s evaluation was reasonable.

The record shows that the agency considered Leidos’ ability to direct patients to the appropriate level of care and found that Leidos met the requirement. AR, Tab 5, Technical Consensus, at 13. To the extent the agency relied upon Leidos’ prior ability to direct patients to the appropriate level of care in assigning a strength for Leidos’ incumbent experience, this consideration does not provide for an independent strength. Rather this example was an underlying reason supporting the stated strength assigned for Leidos’ incumbent experience. See AR, Tab 21, Technical Evaluation Team Chair Declaration, at 1. While the protester essentially seeks to replace its judgment for the agency’s exercise of discretion, our Office will not sustain a protest upon a protester’s disagreement with an agency’s technical judgments where, as here, the protester has not shown that the agency’s evaluation lacks a reasonable basis. See BNL, Inc., B-409450, B-409450.3, May 1, 2014, 2014 CPD ¶ 138 at 7.

The protester also alleges that the agency’s assignment of an acceptable rating under the care coordination approach subfactor is unreasonable. Leidos contends that the rating of acceptable is improper because it received two strengths, one weakness, and low risk, which should have resulted in a good rating. The RFP defined a good rating as follows: “[p]roposal indicates a thorough approach and understanding of the requirements and contains at least one strength, and risk of unsuccessful performance is low to moderate.” RFP at 139. The RFP defined an acceptable rating as follows: “[p]roposal meets requirements and indicates an adequate approach and understanding of the requirements, and risk of unsuccessful performance is no worse than moderate.” Id. While the protester argues that its low risk rating does not fit within the acceptable (continued...)
With respect to the agency’s evaluation of Optum’s proposal, Leidos contends that the agency used an unstated evaluation criterion in assessing a strength to Optum’s proposal under the telehealth RN triage approach subfactor. Leidos asserts that it was improper to assess a strength for Optum’s prime experience providing nurse advice line services.

The RFP stated that the agency’s evaluation would evaluate “the degree to which the proposal demonstrates a complete approach and experience in Telehealth Registered Nurse (RN) Triage.” RFP at 138. The evaluators assigned a strength as follows: “[t]he Optum proposal states they have been performing RN telehealth services since 1990, to over 37 million beneficiaries using evidence based proprietary guidelines. This approach and experience reduces the risk of poor service and care being given to beneficiaries and therefore decreases the risk of unsuccessful contract performance.” AR, Tab 5, Technical Consensus, at 24.

We find no basis to object to the agency’s evaluation of Optum’s proposal. The protester has failed to demonstrate that the agency’s consideration of Optum’s experience in performing nurse advice line services was based on an unstated evaluation criterion given that the solicitation specifically advised that an offeror’s experience providing these services would be included in the agency’s assessment of an offeror’s telehealth RN triage approach.

In sum, we find that the agency’s evaluation of Leidos’ and Optum’s technical approach factor, and underlying subfactors, was reasonable, fair, and in accordance with the stated evaluation criteria.7

(...continued)

rating description, we disagree; low risk is reasonably encompassed within “no worse than moderate” description of an acceptable rating. Accordingly, we have no basis to question the agency’s rating in this regard.

7 Leidos also abandoned various other arguments in the course of the protest. Leidos initially argued that the agency’s assignment of a weakness under the care coordination subfactor was unreasonable. The agency in its report responded to this allegation but Leidos’ comments on the report did not address the agency’s response. We therefore consider Leidos to have abandoned its arguments with respect to the weakness assigned to the care coordination approach subfactor, and we will not further consider it. McKissack-URS Partners, JV, B-406489.7, Jan. 9, 2013, 2013 CPD ¶ 25 at 4 n.2. Similarly, we also will not consider Leidos’ allegation that it should have received a higher rating for the primary care manager on call approach subfactor, as the protester abandoned these allegations.
Past Performance Evaluation

Leidos alleges that the agency’s evaluation of its past performance was unreasonable. The protester also contends that the agency failed to reasonably evaluate negative past performance of the awardee.

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. SupplyCore, Inc., B-411648.2, B-411648.3, Feb. 21, 2017, 2017 CPD ¶ 72 at 11. 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. We find no basis to question the agency’s judgments.

Leidos argues that the agency failed to properly evaluate its past performance. The protester contends that Leidos past performance merited a very relevant/substantial confidence rating, not merely a relevant/satisfactory confidence rating. Leidos asserts that a rating of relevant for Leidos’ incumbent contract lacks any factual or rational basis and is patently unreasonable.

The solicitation provided that the agency would evaluate an offeror’s collective record of all recent and relevant past performance in assessing a rating. RFP at 141. The RFP advised offerors that relevant performance is the “consideration that should be given to those aspects of an offer’s history of contract (or subcontract) performance that would provide the most context and give the greatest ability to measure whether the offeror will successfully satisfy the current requirement.” Id. The solicitation provided that common aspects of relevancy include: “similarity of product/service/support, complexity, dollar value, contract type, use of key personnel (for services), and extent of subcontracting/teaming.” Id. The RFP defined a very relevant rating as follows: “[p]resent/past performance effort involved essentially the same scope and magnitude of effort and complexities this solicitation requires.” Id. at 142. A relevant rating was defined as follows: “[p]resent/past performance effort involved similar scope and magnitude of effort and complexities this solicitation requires.” Id.

The agency rated Leidos’ past performance as relevant/satisfactory confidence based on seven references. The agency found that the collective submissions demonstrated experience similar in scope and magnitude of the effort and complexities the solicitation requires. AR, Tab 3, SSD, at 168. With respect to Leidos’ incumbent CONUS nurse
advice line services contract, the evaluators rated the reference very relevant.\(^8\) AR, Tab 6, Past Performance Consensus, at 26.

Based on our review of the record, we find no basis to object to the agency’s evaluation. The record demonstrates that the balance of Leidos’ contracts were relevant to somewhat relevant. In all, Leidos received, one very relevant, one relevant, and five somewhat relevant ratings for its seven references. Id. at 26-32. While the protester argues that its incumbent CONUS performance should have been weighted more heavily by the agency resulting in a substantial confidence rating, the RFP did not provide that the past performance of the incumbent contractor would be given special recognition or consideration. See [L-3 Nat’l Sec. Solutions, Inc., B-411045, B-411045.2, Apr. 30, 2015, 2016 CPD ¶ 233 at 13. Accordingly, we find nothing unreasonable with the agency’s evaluation.

Leidos also argues that the agency disregarded negative performance information of the awardee. The protester contends that the agency failed to consider adverse past performance of Optum’s parent company, UnitedHealth. In response to the protester’s assertions, the agency contends that the prior contract of UnitedHealth was not relevant to Optum’s performance under the current solicitation.\(^9\) We agree, and find no basis to object to the agency’s evaluation.

Optum’s past performance volume provided that Optum is one of two primary divisions of the UnitedHealth Group, Inc. family. AR, Tab 31, Optum Past Performance Volume, at 1. Optum listed eight past performance references as part of its proposal, none of which referenced work by UnitedHealth Group. Id. at 3-4. However, the awardee’s proposal referenced its experience in eligibility verification and provided that “Optum developed the Defense Eligibility Enrollment Reporting System (DEERS) interface used for the TRICARE West (T3) Managed Care Support Contract (MCSC).” Id. at 2. The agency’s evaluation of Optum noted that Optum had developed the DEERS interface for the MCSC contract. AR, Tab 6, Past Performance Consensus, at 38.

The record demonstrates that DHA awarded the MCSC contract to UnitedHealth Military & Veterans to administer a health care program on behalf of the agency for the West region of the United States. Agency Memorandum of Law at 32. The protester alleges that shortly thereafter there were performance problems which required waiver of certain requirements. Leidos contends that the agency’s evaluation of Optum’s past

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\(^8\) Because the record demonstrates that the agency assigned a very relevant rating to Leidos’ incumbent CONUS nurse advice line effort, we find that the protester’s argument with respect to its relevant rating on this effort is misplaced.

\(^9\) Leidos also initially asserted that the agency failed to consider negative past performance related to companies allegedly affiliated with Optum. The agency addressed these allegations in its report and the protester’s comments did not provide a response. Thus, we consider these allegations to be abandoned and will not consider them further.
performance failed to consider the negative past performance of UnitedHealth on the MSCS contract.

Our decisions provide that, while agencies generally need not evaluate all past performance references, or those not reflected in the proposals, in certain limited circumstances an agency evaluating an offeror’s past performance also has an obligation (as opposed to the discretion) to consider information that is “simply too close at hand to require offerors to shoulder the inequities that spring from an agency’s failure to obtain, and consider, the information.” International Bus. Sys., Inc., B-275554, Mar. 3, 1997, 97-1 CPD ¶ 114 at 5. Our Office has generally limited application of this principle to situations where the alleged “close at hand” information relates to contracts for the same services with the same procuring activity, or information personally known to the evaluators. TRW, Inc., B-282162, B-282162.2, June 9, 1999, 99-2 CPD ¶ 12 at 5.

Here, the record fails to establish that the performance of UnitedHealth Military & Veterans, under the MCSC contract relates to the services solicited here. Indeed, the only mention of this contract is Optum’s citation to “develop[ing] the Defense Eligibility Enrollment Reporting System (DEERS) interface used for the TRICARE West (T3) Managed Care Support Contract (MCSC).” AR, Tab 31, Optum’s Past Performance Volume, at 2. The protester has failed to demonstrate how the development of a database used by UnitedHealth Military & Veterans in performance of the MCSC contract was related to the nurse advice line services solicited here. Moreover, there is nothing in the record to demonstrate UnitedHealth Military & Veterans’ prior performance would in any way be predictive of Optum’s performance on the current contract. Accordingly, we find no basis to require the agency to consider UnitedHealth Military & Veterans’ prior performance in assessing Optum’s past performance under the current solicitation.

In sum, the protester has not demonstrated that the agency’s past performance evaluation was unreasonable. 11

10 The agency also contends that the evaluators had no knowledge of UnitedHealth Military & Veterans’ performance on the MSCS contract. AR, Tab 20, Agency Declaration, at 901.

11 Leidos also alleges that Optum could not have received a relevant/satisfactory confidence rating because the past performance consensus document states that Optum’s collective past performance effort involved only “some of the scope and magnitude of effort and complexities as the current solicitation.” AR, Tab 6, Past Performance Consensus, at 34. In response, the agency asserts that the reference to “some” was a typographical error that was not repeated in the SSD. In this regard, the SSA noted that Optum’s collective past performance demonstrated experience “relevant to three Nurse Advice Line contracts and two Call Center contracts similar in scope and magnitude of the effort and complexities” of the current effort. AR, Tab 3, SSD, at 169. Based on our review of the record, we have no basis to question the agency’s (continued...)
Price Evaluation

In its supplemental protest, Leidos argues that the agency’s escalation rate analysis was improper. We find this allegation is untimely because it was not filed within 10 days of receiving the redacted SSD.

As part of its June 1 debriefing, Leidos received a redacted copy of the SSD. The report included an explanation of Leidos price evaluation as well as a portion of the SSA’s tradeoff analysis. While much of this document was redacted, the following information was disclosed: “Leidos has the lowest overall price proposal of the four offers, but it has the second highest escalation rates between Option Periods 1-4.” AR, Tab 3, SSD, at 170. This information was sufficient to put Leidos on notice that escalation rates were analyzed by the agency. Thus, to be timely, Leidos would have had to have filed these allegations within 10 days of receiving the June 1 debriefing. Because Leidos did not file its challenge to the agency’s analysis of the offerors’ escalation rates until its supplemental protest, well after the 10 days had passed, we dismiss these allegations as untimely. 4 C.F.R. § 21.2(2). In any event, even if we considered this aspect of Leidos’ challenge to be timely, we find no basis to sustain the protest. The record demonstrates that the offerors’ escalation rates, while noted, did not have a material impact on the ultimate tradeoff decision.

Best Value

Leidos alleges that the agency’s evaluation resulted in multiple errors that influenced the agency’s tradeoff decision. As discussed above, we find no flaw in the evaluation, and thus no related error in the best-value tradeoff.

Leidos contends that the SSA unreasonably concluded that Optum’s proposal represented the best value because the SSA relied upon an unstated evaluation criterion in assessing the relative difference of the offerors’ past performance. In this regard, the protester contends that the SSA’s reliance on Optum’s experience providing nurse advice line services as a prime contractor was improper. We find no basis to question the tradeoff decision.12

(PMC Solutions, Inc., B-310732, Jan. 22, 2008, (...continued)

assignment of a relevant/satisfactory confidence rating for Optum’s collective past performance.

12 The protester also has not demonstrated that it would be prejudiced by the SSA’s statement because the past performance factor was not a material discriminator in the tradeoff decision. McDonald-Bradley, B-270126, Feb. 8, 1996, 96-1 CPD ¶ 54 at 3 (We will not sustain a protest absent a showing of prejudice to the protester; that is, unless the protester demonstrates that, but for the agency’s actions, it would have had a substantial chance of receiving the award.). While the SSA noted that Optum was the only offeror with prime contractor experience in providing nurse advice line services, the (continued...)
2008 CPD ¶ 20 at 3. (Even where an RFP does not expressly state a specific preference for past performance as a prime contractor, an agency properly may take such information into account in its past performance evaluation as it is reasonably predictive of the quality of contract performance.). Accordingly, we find that the agency’s tradeoff decision was reasonable.

The protest is denied.

Susan A. Poling
General Counsel

(...continued)

SSA ultimately determined that “[o]verall, there were no meaningful differences identified in the present and past performances between all offerors.” AR, Tab 3, SSD, at 172.