441 G St. N.W. Washington, DC 20548

Comptroller General of the United States

### DOCUMENT FOR PUBLIC RELEASE

**Decision** 

The decision issued on the date below was subject to a GAO Protective Order. This redacted version has been approved for public release.

**Matter of:** Leidos Innovations Corporation

**File:** B-415514; B-415514.2; B-415514.3

**Date:** January 18, 2018

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Charlene T. Storino, Esq., Department of Homeland Security, for the agency. K. Nicole Willems, Esq., and Jennifer D. Westfall-McGrail, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

### **DIGEST**

- 1. Protest that agency failed to give adequate consideration to awardee's alleged organizational conflict of interest is denied where record shows the agency carefully investigated whether the awardee had an organizational conflict of interest and concluded that none existed.
- 2. Protest that agency's evaluation was unreasonable is denied where the record shows the evaluation was reasonable and consistent with the solicitation.

### **DECISION**

Leidos Innovations Corporation, of Reston, Virginia, protests the issuance of a task order to Northrop Grumman Systems Corporation (NGSC), of McLean, Virginia, under request for proposals (RFP) No. HSHQDC-16-R-00080, issued by the Department of Homeland Security (DHS), Office of Biometric Identity Management (OBIM), for a biometric analysis system. Leidos contends that NGSC should have been disqualified from the competition due to an alleged organizational conflict of interest (OCI). The protester also challenges the evaluation of proposals.

We deny the protest.

#### **BACKGROUND**

OBIM is the lead entity within DHS for biometric management services. Contracting Officer's Statement of Facts (COSF) at 1. As part of OBIM's responsibility for matching, storing, sharing, and analyzing biometric identity information, OBIM is responsible for the operation, maintenance, and modernization of the Automated Biometric Identification System (IDENT). Id. Due to the escalating demands for biometric analysis, OBIM determined that it needed a new biometric system to replace the aging IDENT system, and sought to procure such a system through this acquisition, known as the Homeland Advanced Recognition Technology (HART) procurement. Id. HART is to replace IDENT with a modular system that addresses OBIM's needs, which include greater efficiencies, lower costs of operations, increased data volumes, and the capability of incorporating multiple and new biometric modalities. Id.

On February 13, 2017, DHS issued the HART procurement RFP to DHS's Enterprise Acquisition Gateway for Leading-Edge Solutions (EAGLE II) strategic source indefinite-delivery, indefinite-quantity (IDIQ) contract holders under functional category 1. RFP at 1. The RFP contemplated the issuance of a task order with firm fixed-price award fee, cost-plus-fixed-fee, fixed-price, cost-reimbursement, and time and materials contract line item numbers (CLINs). <u>Id.</u> at 152-153. The solicitation provided for award on a best-value tradeoff basis, considering both non-cost/price and cost/price factors. <u>Id.</u> at 156.

The RFP provided for a two-step evaluation process addressing the following six factors, in descending order of importance: (1) oral presentation; (2) system development and execution; (3) resource and analysis; (4) staffing; (5) past performance; and (6) price. Id. at 156-159. Step one consisted of the evaluation of oral presentations. Id. at 145. Following the evaluation of oral presentations, the agency would advise offerors as to whether it was recommended that they submit written proposals. Id. at 145. Step two was to include the evaluation of written proposals under the remaining five factors. Id. at 146. As relevant here, the RFP provided that oral presentations would be evaluated based on responses to questions provided in advance, responses to on-the-spot questions, and, of lesser importance, reference materials submitted by offerors. Id. at 156.

Under the system development and execution factor, offerors were required to submit a performance work statement (PWS), including proposed tasks and deliverables, to address the baseline performance objectives (BPO). <u>Id.</u> at 148. Offerors were also required to provide: (1) a complete and comprehensive schedule that incorporated activities and milestones needed for the design, development, and implementation of

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<sup>&</sup>lt;sup>1</sup> The RFP provided that non-price factors would be evaluated holistically, and potential ratings included high confidence, some confidence, and low confidence. RFP at 159.

increment 1, increment 2,<sup>2</sup> and the option periods; (2) the offeror's management approach; (3) a quality assurance surveillance plan; (4) and a bill of materials (BOM). <u>Id.</u>

With regard to the past performance factor, the RFP provided for an evaluation of the extent to which an offeror's past performance submission "demonstrates successful management of projects of similar size, scope and complexity as identified in the BPO within the last five years." Id. at 159. Additionally, the evaluators would consider whether an offeror's proposal "demonstrates past experience in designing, developing, testing, integrating, deploying and supporting large-scale information technology transactional systems including those involving integration with legacy systems currently in operation," and whether an offeror's "past performance indicates applicable experience with the methodologies, tools and technologies proposed for executing the work in the BPO." Id. Finally, the RFP provided for an evaluation of the extent to which an offeror's proposal "demonstrates past experience in incremental iterative development and deployment of configuration items, to include training execution, database updates and restructuring, and configuration management of multiple configurations in various stages of development and deployment." Id.

The RFP provided that prices would be evaluated for reasonableness based on competition and work breakdown structure analysis supporting an offeror's proposed HART PWS. RFP at 159. Of relevance here, the RFP advised offerors that, depending upon the proposed system architecture and deployment plan, the resulting HART testing and production systems could consist of components that are provided by cloud-based infrastructure services; installed and operated in one or more non-DHS data centers (government-owned or commercial); installed and operated in one or both of the DHS enterprise data centers; or installed and operated as any hybrid of the above options. Id. at 27. The RFP provided for an upward price adjustment to be made in instances where an offeror opted to include the use of DHS data centers as part of its proposed solution in an effort to normalize the comparison of prices from one proposed solution to another by accounting for the additional cost that would be incurred by DHS as a result of the use of its data centers.<sup>3</sup> Id. at 151.

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<sup>&</sup>lt;sup>2</sup> The RFP provided that HART would be developed in four increments. RFP at 20. Increment one replaces IDENT with the HART core application, and increment two will build on increment one. <u>Id.</u> at 21. This solicitation addresses the first two increments. <u>Id.</u> at 22.

<sup>&</sup>lt;sup>3</sup> To account for the associated cost of DHS data center hosting and Level 1 managed services, the RFP provided that the agency would add an amount of up to \$16.2 million per year to the prices proposed in CLINs 0001C.1, 0002C.1, 0003C.1, 1001A.1, 2001A.1 and 2001B.1 to reflect the current estimated yearly cost incurred by the agency for these data center services. RFP at 151. On a prorated basis, this would amount to the addition of up to \$1.35 million per month to an offeror's quoted monthly price, proportional to the proposed DHS data center footprint. <u>Id.</u> The RFP further specified (continued...)

After oral presentations by four offerors, three offerors (including Leidos) submitted written proposals. Following a round of discussions, offerors submitted final proposal revisions. The proposals of the protester and NGSC were evaluated as follows:

	NGSC	Leidos
Oral Presentation	High Confidence	Some Confidence
System Development and Execution	High Confidence	High Confidence
Resource and Analysis	High Confidence	Some Confidence
Staffing	Some Confidence	Some Confidence
Past Performance	High Confidence	High Confidence
Proposed Price	\$95,102,060	\$158,489,925
Evaluated Price	\$106,607,638	\$220,968,054

Agency Report (AR), Tab 19, Source Selection Decision Document (SSDD), at 3; AR, Tab 14.b, Revised Business Evaluation Report, at 5.4

Based on the evaluation results, the contracting officer (CO) and source selection evaluation board (SSEB) chairperson made a best-suited contractor determination, identifying NGSC as the apparent successful offeror. 2<sup>nd</sup> Supp. Memorandum of Law (MOL) at 25. Consistent with the terms of the solicitation, which provided that after the agency had selected the apparent successful offeror, it could engage in communication solely with this contractor to address any remaining issues and to finalize a task order, the agency held negotiations with NGSC. RFP at 160, 2<sup>nd</sup> Supp. COSF, at 3. The communications concluded on August 31. 2<sup>nd</sup> Supp. COSF, at 3.

Subsequently, a best-value recommendation meeting was convened on September 7, and the source selection authority (SSA) approved the award to NGSC on September 19. <u>Id.</u> The agency issued a task order to NGSC on September 28, and unsuccessful offerors were notified the same day. <u>Id.</u> Leidos received a debriefing on October 4, and this protest followed.<sup>5</sup>

that the referenced CLIN prices would be adjusted upon review of hosting choices made by the offeror and the estimated hidden hosting costs of the proposed approach. <u>Id.</u>

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<sup>(...</sup>continued)

<sup>&</sup>lt;sup>4</sup> Upward cost adjustments were made to Leidos' proposal based on its proposed use of [DELETED], and to both Leidos' and NGSC's proposals based on the estimated cost of extending performance for a six-month period. AR, Tab 14.b, Revised Business Evaluation Report, at 5.

<sup>&</sup>lt;sup>5</sup> The task order at issue in this protest was competed under Federal Acquisition Regulation (FAR) part 16 among firms previously awarded IDIQ contracts. The value of (continued...)

### DISCUSSION

Leidos raises the following six principal contentions: (1) NGSC received an unfair competitive advantage based on the participation of one of its employees in a loaned executive program at DHS; (2) the agency should have rated NGSC lower under the system development and past performance factors; (3) the agency failed to properly evaluate the realism of NGSC's proposal under the cost-reimbursement CLINs; (4) the agency should have assigned higher ratings to Leidos' proposal under each factor in which Leidos received a some confidence rating; (5) the agency improperly adjusted Leidos' proposed cost/price based on its proposed use of [DELETED]; and (6) the agency's best-suited contractor determination and best-value tradeoff analyses were improper. For the reasons discussed below, we find no basis to sustain the protest.<sup>6</sup>

# **Unfair Competitive Advantage**

Leidos argues that NGSC had an unfair competitive advantage that merited disqualification from the competition based on the role of one of NGSC's employees as a loaned executive (LE) in DHS's loaned executive program (LEP). The LEP is a program that provides a mechanism for DHS to bring expertise from the private sector into DHS to address specific identified needs. MOL at 3. In this regard, Leidos alleges that an NGSC employee who participated in the LEP, working on modernization of the existing IDENT system, had access to competitively useful information related to the HART procurement, and shared information with officials in OBIM that was used in developing the HART requirements. For the reasons discussed below, we conclude that the agency conducted a reasonable investigation regarding the possibility of a potential or actual OCI, and reasonably concluded that the LE neither had access to competitively useful information that would have conferred an unfair competitive advantage on NGSC, nor participated in the development of the HART requirements.

the task order issued is in excess of \$10 million. Accordingly, our Office has jurisdiction to consider the protest. 41 U.S.C. § 4106(f)(B)(2).

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<sup>(...</sup>continued)

<sup>&</sup>lt;sup>6</sup> In its various protest submissions, Leidos raises arguments that are in addition to, or permutations of, those discussed herein. Several of these arguments essentially request that our Office substitute its judgment regarding the proposals' relative technical merits for the judgment of the procuring agency--something this Office declines to do. See, e.g., ManTech Advanced Sys. Int'l, Inc., B-413717, Dec. 16, 2016, 2016 CPD ¶ 370 at 3. While we do not address in detail every argument raised by the protester, we have reviewed them all and find no basis to sustain the protest.

The FAR requires that contracting officials avoid, neutralize, or mitigate potential significant conflicts of interest so as to prevent an unfair competitive advantage or the existence of conflicting roles that might impair a contractor's objectivity. FAR §§ 9.504(a), 9.505. The situations in which OCIs arise, as described in FAR subpart 9.5 and the decisions of our Office, can be broadly categorized into three groups: (1) biased ground rules; (2) unequal access to information; and (3) impaired objectivity. As relevant here, an unequal access to information OCI exists where a firm has access to nonpublic information as part of its performance of a government contract, and where that information may provide the firm a competitive advantage in a later competition for a government contract. FAR § 9.505(b); Cyberdata Techs., Inc., B-411070 et al., May 1, 2015, 2015 CPD ¶ 150 at 6. A biased ground rules OCI arises where a firm, as part of its performance of a government contract, has in some sense set the ground rules for the competition for another government contract by, for example, writing the PWS or providing materials upon which a PWS was based. FAR §§ 9.505-1, 9.505-2. In these cases, the primary concern is that the firm could skew the competition, whether intentionally or not, in favor of itself. Energy Sys. Grp., B-402324, Feb. 26, 2010, 2010 CPD ¶ 73 at 4.

In reviewing protests that challenge an agency's conflict of interest determinations, our Office reviews the reasonableness of the agency's investigation and, where an agency has given meaningful consideration to whether an OCI exists, we will not substitute our judgment for the agency's, absent clear evidence that the agency's conclusion is unreasonable. DV United, LLC, B-411620, B-411620.2, Sept. 16, 2015, 2015 CPD ¶ 300 at 6. In this regard, the identification of conflicts of interest is a fact-specific inquiry that requires the exercise of considerable discretion. Health Innovation & Tech. Venture, B-411608.2, Sept. 14, 2015, 2015 CPD ¶ 298 at 5. A protester must identify hard facts that indicate the existence or potential existence of a conflict; mere inference or suspicion of an actual or potential conflict is not enough. ViON Corp.; EMC Corp., B-409985.4 et al., Apr. 3, 2015, 2015 CPD ¶ 141 at 10. Here, the record does not support the protester's challenges and provides no basis to question the reasonableness of the agency's investigation.

The LE was selected for participation in the LEP based on, among other things, his professional experience with managing biometric identification systems. The LE was to serve a 1-year term in the program, which began in December 2014. MOL at 7. In this role, he worked at OBIM in a part-time status, for an average of three days per month, and was tasked with assisting on IDENT modernization efforts, which included OBIM's effort to expand IDENT's biometric analysis capabilities to include multimodal fusion of iris and face. The LE's participation in the program concluded in January of 2016. AR, Tab 32, OCI Analysis and Determination, at 1.

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<sup>&</sup>lt;sup>7</sup> As part of the screening/clearance process for the LEP, the LE signed an acknowledgment of conflict of interest matters recognizing that he needed to take steps to avoid conflicts of interest or other ethics violations. AR, Tab 27, LEP Clearance Package, at 13-14. This document included a statement that the LE was not permitted (continued...)

In July of 2016, NGSC requested that the LE be given access to materials related to the HART procurement that had been placed in a reading room by DHS. Because of the LE's prior work at OBIM, the CO initially denied the request and conducted an investigation to determine whether, as a result of the LE's participation in the LEP, an OCI existed with regard to the HART procurement. <u>Id.</u> Based on the investigation, which was completed on February 12, 2017, the CO concluded that there was no conflict and permitted NGSC to participate in the HART procurement.<sup>8</sup> Id. at 16.

While Leidos contends that the OCI investigation was unreasonable, that contention is not supported by the record. In researching the facts and making a determination, the CO took a number of steps including: conducting a review of 2,100 emails sent to or from the LE's DHS email account; conducting a review of over 500,000 emails of OBIM technical and management personnel who had known contact with the LE and who were involved with current or future OBIM biometric activities; auditing OBIM SharePoint to determine what documents the LE had accessed and when; conducting question and answer sessions with OBIM personnel regarding known communications and discussions on biometric topics and items of interest generated from the reviews of the emails; and engaging in questions and answers with NGSC regarding the LE's roles and responsibilities at DHS, as well as his participation in the development of NGSC's HART proposal. <u>Id.</u> at 2-3. As discussed in detail below, we have no basis to question the CO's conclusion that NGSC did not have an unfair competitive advantage based on the LE's participation in the LEP, and permitting NGSC to participate in the HART competition.

## **Unequal Access OCI**

With regard to the alleged unequal access to information OCI, the CO recognized that a competitor to NGSC, such as Leidos, might assume that the LE and NGSC had access

to work on matters with a direct and predictable economic impact on any of the employee's "interests or affiliations or those imputed to him or her, specifically including the employee's private sector employer and the employee's personal financial arrangements with the private sector employer, unless a waiver is granted pursuant to Title 18, U.S.C., § 208(b)(1)." Id.

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<sup>(...</sup>continued)

<sup>&</sup>lt;sup>8</sup> Initially, the LE participated in the preparation of NGSC's proposal for the HART procurement. In an October 20, 2016 letter to NGSC, DHS indicated that it believed there was the appearance of an OCI, and asked NGSC to respond with regard to its approach to mitigation. In a November 18 letter, NGSC informed the agency that, while it continued to believe that the LE's participation in the loaned executive program did not create an OCI, and that hard facts were not present to establish even the appearance of an OCI, it was removing the LE from its HART proposal team and implementing a firewall between the LE and the proposal team for the remainder of the procurement. AR, Tab 32.a, OCI Determination Attachments, at 60.

to "non-public information useful in the preparation of a HART proposal that would give it an unfair competitive advantage." <u>Id.</u> at 14. The CO concluded, however, that there was no evidence that the LE had been given unequal access to HART-related information such that NGSC would have had an unfair competitive advantage. The CO noted that the agency had taken steps to avoid such access. For example, while the CO's review of emails revealed that the LE had offered to help with the review of the responses to the HART RFI, the record further showed that OBIM officials had denied the LE access to that information, such that no competitively useful information was ultimately gained by the LE. <u>Id.</u> at 14. Similarly, the CO reviewed the SharePoint documents that could have been accessed by the LE, and only identified two documents that could have been minimally useful in relation to HART. <u>Id.</u> at 5. Both documents, which related to IDENT, had been made available to contractors in the reading room in September 2016. <u>Id.</u>

The CO also noted the nature of the solicitation in his OCI analysis. In this regard, rather than seeking a specific solution, the solicitation asked offerors to define the best solution to meet the baseline performance objectives, with no predetermined blueprint that could have been accessed by the LE. <sup>10</sup> Id. at 15. The CO concluded that the possibility that the LE had unequal access to information was further diluted as a result of the many revisions made to the final BOP and RFP requirements after the LE's departure from the LEP. AR, Tab 32, OCI Analysis and Determination, at 16. These revisions occurred as a result of DHS's engagement with industry and other interested parties, which included opportunities for DHS to receive feedback and to answer over 500 questions. <sup>11</sup> Id. We have no basis to find that the CO's conclusion here is

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<sup>&</sup>lt;sup>9</sup> Prior to the beginning of the LE's engagement at DHS, OBIM released a request for information (RFI) related to the HART procurement. MOL at 8. A second RFI for the HART procurement was posted during the LE's term at DHS. <u>Id.</u>

<sup>&</sup>lt;sup>10</sup> For example, as described above, offerors were permitted to propose HART testing and production systems consisting of components provided by cloud-based infrastructure services; installed and operated in one or more non-DHS data centers; installed and operated in one or both of the DHS enterprise data centers; or installed and operated as any hybrid of the above options. RFP at 27. In this regard, Leidos speculates that the LE was aware that although the solicitation allowed different approaches, the agency had a preference for an all-cloud solution, such as the one proposed by NGSC. While the agency did issue the task order to NGSC, the only offeror to propose an all-cloud solution, there is nothing to support the idea that the agency was harboring an undisclosed preference for an all-cloud solution. Rather, as discussed below, the evaluation record indicates that the evaluators identified both benefits and downsides to the different approaches proposed by both Leidos and NGSC.

<sup>&</sup>lt;sup>11</sup> This engagement included the release of a draft statement of objectives (SOO) during an industry day event, and a request for vendors to submit comments and/or questions related to the draft SOO. MOL at 13-15. The agency engaged in additional dialog with industry and other interested parties by issuing three draft RFPs, seeking feedback, and (continued...)

unreasonable, and view the passage of time between the LE's exit from the LEP, as well as the many changes that were made to the draft solicitation during that time, as compelling evidence supporting the CO's finding. See Liquidity Servs., Inc., B-409718 et al., July 23, 2014, 2014 CPD ¶ 221 (denying protest that awardee obtained unfair competitive advantage from hiring former agency employees because CO reasonably concluded that any information former agency employees had that might have been considered competitively useful at one time was either outdated or publicly available).

Additionally, to the extent the LE had access to information regarding IDENT that could have been useful in the HART competition and that was not already publicly available, the agency released that information to interested parties in a reading room so as to remove any appearance of an OCI resulting from the LE's initial access. AR, Tab 32, OCI Analysis and Determination, at 14. Indeed, in some instances, the agency made available in the HART reading room "more detailed statistical data, which is more current and relevant to potential offerors in the development of the HART system proposal" than the IDENT-related information to which the LE had access. Id.

Ultimately, based on the findings of his review, the CO concluded that there was no evidence of an "actual, potential, or appearance of unequal access, since all research of [the LE's] activities while in the [loaned executive program] did not demonstrate that he had access to non-public information to prepare NGSC's HART proposal." Id. at 15. While the protester disagrees with the CO's conclusions and argues that the agency should have investigated further, its complaints do not provide a basis to sustain the protest. As noted above, a protester must identify hard facts that indicate the existence or potential existence of a conflict; mere inference or suspicion of an actual or potential conflict is not enough. ViON Corp.; EMC Corp., supra. Here, the protester has failed to provide the clear evidence necessary to demonstrate that the CO's determinations were unreasonable.

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posting responses to industry questions between May of 2016 and early February of 2017. <u>Id.</u> For example, during the industry day event, DHS received a question as to whether DHS would be open to "all of HART being provided as 'cloud-based managed service' or only limited elements?" AR, Tab 7.a.5, Emailed Responses to HART Industry Day Questions, at 4. In response, DHS explained that OBIM was open to "any or all portions of the solutions being cloud-based" or "As-A-Service." <u>Id.</u>

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<sup>&</sup>lt;sup>12</sup> For example, the IXM v6.0.7 schema information, which relates to IDENT and is not unique to HART, was added to the reading room.

<sup>&</sup>lt;sup>13</sup> For example, the protester contends that the agency's review was inadequate because it did not consider certain categories of information, such as emails sent from the LE to DHS employees using the LE's NGSC email account. Given the broad scope of the agency's investigation, however, we will not conclude that this omission renders inadequate the entire review.

### Biased Ground Rules OCI

With regard to the allegations of a biased ground rules OCI, we also find the protester's contentions regarding the agency's investigation insufficient to form a basis to sustain the protest. Based on his investigation, the CO found no evidence that the LE was involved in any activity related to the development of HART requirements, and concluded that there was no "actual, potential or appearance of an opportunity for [the LE] to significantly influence or set the ground rules for the HART competition that would indicate the possibility of a future competitive advantage." AR, Tab 32, OCI Analysis and Determination, at 16. As discussed above, the requirements were not finalized until over a year after the LE ended his participation in the LEP. Additionally, to the extent the LE spoke with individuals at OBIM regarding biometrics generally or the HART procurement specifically, there is no evidence that those conversations led to requirements that were favorable to NGSC. In sum, we find that the agency's investigation in this regard was reasonable, and conclude that the protester failed to provide hard evidence sufficient to contradict the CO's determination.

# **Evaluation of Proposals**

Leidos next challenges the evaluation of the proposal submitted by NGSC, as well as the evaluation of its own proposal, under various evaluation factors, including the cost/price factor. As discussed below, we find no basis to conclude that the evaluation of NGSC's proposal was improper. Additionally, we find that Leidos' challenges to the evaluation of its own proposal do not provide a basis for sustaining the protest.

### NGSC: Past Performance

Leidos argues that NGSC should not have received the highest possible past performance rating. In this regard, Leidos contends that the agency failed to consider negative performance information about NGSC's performance of the Department of Defense (DOD) automated biometric information system (ABIS) contract that was "too close at hand" to ignore. Had the evaluators considered this information, the protester contends, the rating assigned to NGSC would be lower.<sup>14</sup>

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<sup>&</sup>lt;sup>14</sup> Leidos makes a related argument that the agency treated the offerors unequally by assessing risk in its proposal on a factor-level, but only assessing risk in NGSC's proposal overall. Supp. Protest at 11. The agency furnished a detailed response to this allegation in its supplemental AR, maintaining that the evaluation showed that the agency did assess risk to Northrop's proposal throughout the evaluation, and did not assess risk only on a proposal level. Supp. MOL at 34. In responding to the supplemental AR, the protester did not seek to rebut or otherwise take issue with the agency response. Accordingly, we consider it to have abandoned this argument. See G.A. Braun, Inc., B-413735, Dec. 21, 2016, 2016 CPD ¶ 374 at 3-4.

An agency's evaluation of past performance, including 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 agency's assessments are unreasonable or inconsistent with the solicitation criteria. Computer Sciences, Corp., B-409386.2, B-409386.3, Jan. 8. 2015, 2015 CPD ¶ 34 at 12. 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 it is adequately documented. Id. A protester's disagreement with the agency's evaluation judgments concerning the merits of past performance does not establish that the evaluation was unreasonable. Id.

Here, the RFP instructed offerors to provide up to three relevant projects of similar size, scope, and complexity to the proposed HART effort within the last five years from the date of the RFP that were either completed or not yet fully executed. RFP at 149. Among other things, offerors were to provide a point of contact familiar with each project who could confirm the level of quality of the referenced experience and work. Id. Additionally, the agency reserved the right to consider information about past performance from commercial and government sources including but not limited to, government audit reports, the contractor performance assessment reporting system (CPARS), the past performance information retrieval system (PPIRS), and commercial sources (such as Dun and Bradstreet reports). RFP at 159.

Consistent with the terms of the solicitation, the past performance evaluation team contacted the references provided by the offerors, and also conducted a search of the PPIRS database. AR, Tab 22, Past Performance Evaluation Team Statement; AR, Tab 13.a.5, Past Performance Evaluation Report. Based on its consideration of the information provided by NGSC, the information gathered from the references provided by NGSC, and the findings in PPIRS, the evaluators concluded that NGSC merited the highest possible rating for past performance.

As noted above, the protester contends that the agency was required to consider additional information that was too close at hand to be ignored. We have recognized that in certain limited circumstances, an agency has an obligation (as opposed to the discretion) to consider "outside information" bearing on the offeror's past performance when it is "too close at hand" to require offerors to shoulder the inequities that spring from an agency's failure to obtain and consider the information. Hygeia Solutions Partners, LLC; STG, Inc., B-411459 et al., July 30, 2015, 2015 CPD ¶ 244 at 12. We have 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. Veterans Elite, Inc., B-409233, Feb. 10, 2014, 2014 CPD ¶ 64 at 4.

Here, the protester argues that the agency was required to consider two categories of additional information: (1) publicly available articles and reports about DOD ABIS, including GAO reports on the program; and (2) information personally known by two

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DHS employees who had previously worked at DOD. First, while the protester argues that the agency was required to consider reports and articles about the DOD ABIS contract, nothing in the solicitation obligated the agency to consider such information. Additionally, the DOD ABIS contract was not a contract for the same service with the same procuring activity, nor is it evident that the evaluators had personal knowledge of the existence of the articles and reports which Leidos claims should have been considered. Accordingly, we fail to see any basis for concluding that the agency's evaluation of NGSC's past performance was unreasonable.

With regard to the second category of information, Leidos alleges that two individuals working at OBIM had personal knowledge about alleged performance problems on NGSC's DOD ABIS contract by virtue of prior DOD employment. The employees at issue served as the source selection evaluation board chair (employee A), and on the source selection advisory council (SSAC) (employee B) for the HART procurement. In a declaration provided by employee A, she indicated that she had no personal knowledge of performance problems with the DOD ABIS contract. AR, Tab 45, Declaration, Oct. 30, 2017. While the protester attempts to refute employee A's claim by noting that she, along with employee B, received briefing slides addressing the DOD ABIS program from the DOD Biometrics Executive Committee in 2014, the fact that employee A may have received briefing slides in 2014 does not create an obligation for employee A to ensure consideration of the information during the evaluation here.

Employee B had also been employed previously by DOD, but left the agency in 2011. AR, Tab 66, Declaration, Nov. 15, 2017, at 2. While employee B does claim to have personal knowledge related to the performance of the DOD ABIS contract, he explains that he did not disclose the information because the knowledge would be six years old, which predates the five-year window set out in the solicitation for the consideration of past performance. Id. Employee B further explained that he did not inform the evaluators of his outdated personal knowledge and experience with DOD ABIS, because he was aware that the evaluators had received information about NGSC's performance directly from the DOD point of contact who had direct knowledge of NGSC's current performance. Id. at 3. Further, he indicated that the information he could have provided would not have indicated that issues were all attributable to NGSC. ld. Based on the above, we have no reason to conclude that the agency was obligated to consider the outdated personal knowledge possessed by employee B in its evaluation of NGSC's past performance. We also see no evidence that, even if the agency considered the outdated information known to employee B, such consideration would have resulted in a lower rating for NGSC. Thus, we are also unable to conclude that the failure to consider the information known by employee B was prejudicial to Leidos.

NGSC: System Development and Execution

Leidos also challenges the assignment of a high confidence rating to NGSC's proposal under the system development and execution factor. Supp. Comments at 74. The crux of Leidos' argument is that the agency should have rated NGSC lower because of the

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risk inherent in its proposed approach. <sup>15</sup> <u>Id.</u> In this regard, Leidos cites to the evaluation consensus report for this factor, wherein the evaluators note that, among other things, NGSC's proposal represents a "high risk, high reward proposition." AR, Tab 13.b.2, Factor 2 Evaluation Report, at 20. Leidos also notes what it views as inconsistencies in the evaluation, such as the evaluators having noted that NGSC's proposal "presents ways to effectively mitigate the risks that are inherent to novel and bold approaches" and "achieves overall a good balance between innovation and risk mitigation," while also assigning the proposal a weakness under the factor based on a lack of detail regarding risk mitigation approaches for the transition. <u>Id.</u> at 20, 25; Supp. Comments at 74-75. We find Leidos' arguments unpersuasive.

The evaluation of technical proposals in a task order competition is a matter within the discretion of the contracting agency, since the agency is responsible for defining its needs and the best method for accommodating them. Cherokee Nation Tech. Solutions, LLC, B-411140, May 22, 2015, 2015 CPD ¶ 170 at 5. In reviewing an agency's evaluation, we will not reevaluate technical proposals, but instead will examine the agency's evaluation to ensure that it was reasonable and consistent with the solicitation's stated evaluation criteria and with procurement statutes and regulations. Id. A protester's disagreement with an agency's judgment is not sufficient to establish that an agency acted unreasonably. Id.

Here, the record includes discussion of risks, as well as other negative aspects of NGSC's approach, indicating that they were fully considered by the evaluators; the record also includes discussion of the many positive aspects in NGSC's approach identified by evaluators. On this record, which includes a detailed evaluation report, we view the protester's arguments that NGSC should have received a lower rating as nothing more than disagreement with the agency, and have no basis to conclude that the assignment of a high confidence rating to NGSC's proposal under this factor was unreasonable.

NGSC: Cost/Price

Finally, with respect to NGSC's proposal, Leidos argues that the agency failed to adequately evaluate the realism of NGSC's proposal under the cost-reimbursement CLINs. In this regard, Leidos attempts to demonstrate prejudice by speculating that NGSC shifted software maintenance costs from fixed-price to cost-reimbursement CLINs, in an effort to artificially lower its proposed cost/price. Leidos 1<sup>st</sup> Supp. Comments, at 8. In response, the agency contends that it sufficiently considered the realism of NGSC's proposed costs under the three cost-reimbursement CLINs for the

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<sup>&</sup>lt;sup>15</sup> We note that the solicitation did not require the assignment of individual risk ratings under the technical factors, and the assignment of a "high confidence" or "some confidence" rating was not dictated by the amount of risk in an offeror's proposal.

hardware and software associated with the offeror's solution. Supp. MOL at 41. In this regard, the agency cites to the following language in the cost/price evaluation as evidence that it reviewed the information associated with the cost-reimbursement CLINs in offerors' proposals and determined that costs were realistic compared to the hardware and software being purchased:

For hardware and software..., each offeror was required to submit a BOM for each of the [i]ncrements. The BOM for each offeror was reviewed by the technical team. The proposed BOMs were determined to be consistent with each [o[fferor's proposed solution. Any issues associated with licensing or price on the proposed BOMs were addressed in the revised proposals.... No issues remain.

AR, Tab 14.b, Business Evaluation Report at 5.

When an agency evaluates a proposal for the award of a cost-reimbursement contract or order (or a contract or order containing cost-reimbursable CLINs), an offeror's proposed costs are not dispositive because, regardless of the costs proposed, the government is bound to pay the contractor its actual and allowable costs. FAR §§ 15.305(a)(1), 15.404-1(d); Solers, Inc., B-409079, B-409079.2, Jan. 27, 2014, 2014 CPD ¶ 74 at 4. See also Exelis Sys. Corp., B-407673 et al., Jan. 22, 2013, 2013 CPD ¶ 54 at 7 (FAR part 15 cost realism standards are applicable in a FAR part 16 task order procurement). Consequently, an agency must perform a cost realism analysis to determine the extent to which an offeror's proposed costs are realistic for the work to be performed. Id. An agency is not required to conduct an in-depth cost analysis, see FAR § 15.404-1(c), or to verify each and every item in assessing cost realism; rather, the evaluation requires the exercise of informed judgment by the contracting agency. Cascade Gen., Inc., B-283872, Jan. 18, 2000, 2000 CPD ¶ 14 at 8. Additionally, an agency's cost realism analysis need not achieve scientific certainty; rather, the methodology employed must be reasonable and realistic in view of other cost information reasonably available to the agency as of the time of its evaluation. CSI, Inc.; Visual Awareness Techs. & Consulting, Inc., B-407332.5 et al., Jan. 12, 2015, 2015 CPD ¶ 35 at 6. Our review of an agency's cost realism evaluation is limited to determining whether the cost analysis is reasonably based and not arbitrary. Jacobs COGEMA, LLC, B-290125.2, B-290125.3, Dec. 18, 2002, 2003 CPD ¶ 16 at 26.

As an initial matter, we note that it is unclear whether any errors in the agency's cost realism analysis could have prejudiced Leidos given the vast delta between the overall evaluated costs/prices of Leidos and NGSC. Nevertheless, the record indicates that the agency did conduct an adequate cost realism analysis here. Specifically, the record

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<sup>&</sup>lt;sup>16</sup> The solicitation included three cost-reimbursement CLINs related to hardware/software, and three related to travel. For the three travel CLINs, the first was not to exceed \$305,000. RFP at 153. The remaining travel CLINs were optional and each had a not to exceed amount of \$150,000. Id.

indicates that the agency considered the BOM provided by each offeror in light of the offeror's proposed approach, and concluded that the BOMs were consistent with offerors' proposed solutions. AR, Tab 14.b, Business Evaluation Report at 5. Additionally, to the extent the agency identified issues with licensing or prices for the proposed BOMs, the record indicates that the issues were addressed in the final revised proposals. Id. While the protester maintains that this was insufficient, we have no basis upon which to conclude that the agency's analysis was arbitrary or lacked a reasonable basis. Accordingly, we deny Leidos' contention that the agency failed to conduct a cost realism analysis of the cost reimbursement CLINs.

In sum, on this record, we have no basis to conclude that the agency's evaluation of NGSC's proposal under the technical or cost/price factors was unreasonable.

Leidos: Oral Presentations

Leidos raises a multitude of arguments challenging the evaluation of its own proposal under each technical factor in which it received a rating of some confidence instead of high confidence. With regard to the most important factor--oral presentations--Leidos challenges every weakness assigned to its proposal and contends that the proposal should have received a higher rating.<sup>17</sup>

The protester's challenges to the assignment of weaknesses fall into several categories. In some instances, Leidos bases its arguments on alleged inconsistencies within the evaluation record. In this regard, Leidos argues that because the evaluators identified strengths with regard to aspects of Leidos' approach, the evaluators were precluded from also identifying weaknesses related to specific aspects of those approaches. We have rejected that premise previously, and we reject it here. See Corps Solutions, LLC, B-409298.2, Aug. 21, 2014, 2014 CPD ¶ 244 at 7. Other challenges reflect disagreement with the agency's conclusions regarding the merits of Leidos' proposed approach or the adequacy of Leidos' presentation. As we have explained, disagreement with the agency does not provide a basis to conclude that an agency's evaluation was unreasonable. As illustrated by the examples below, the protester's challenges to the weaknesses assigned by the agency are not persuasive, and we have no basis to find that the agency's assignment of weaknesses to Leidos' proposal was unreasonable.

For example, the RFP directed offerors to address the following question in oral presentations:

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<sup>&</sup>lt;sup>17</sup> The agency assigned pluses and minuses to certain features of the proposals. These assessments appear to be assigned in a manner analogous to the assignment of strengths and weaknesses. For purposes of clarity, we refer to strengths and weaknesses in this decision.

Discuss the major tradeoffs that had to be resolved in coming up with your specific proposal, including consideration and value proposition for innovations. Do not simply discuss general engineering tradeoffs.

RFP at 156.

The evaluators assigned the following weakness to Leidos' proposal based on its presentation of information related to tradeoffs:

The tradeoff analysis presented a lack of detail related to the chosen biometric matching strategy/solution. Without this tradeoff visibility, the [g]overnment's confidence in the proposed approach is diminished because a tangible recommendation is not evident.

AR, Tab 13.a.1, Consensus Report for Oral Presentations, at 9.

In challenging the assignment of this weakness, Leidos contends that the information in its oral briefing, and the accompanying slides, should have been sufficient. Supp. Comments at 35. In this regard, Leidos notes that its presenters spent over fifteen minutes discussing tradeoffs during the oral presentation. <u>Id.</u> Leidos also explains that the presentation included a discussion of two of the major tradeoffs, including the tradeoff between reuse and innovation, as well as the tradeoff between the use of the cloud versus the use of data centers. <u>Id.</u>

A review of the record indicates that Leidos' proposal did contain a high level discussion of the strategy Leidos used to determine the necessary tradeoffs, which included the use of trade studies. AR, Tab 9.d., Written Oral Presentation, at 2; AR, Tab 9.c, Leidos Oral Presentation Video, at 5:55 to 8:08. It also contained information about certain tradeoffs. AR, Tab 9.d, Written Oral Presentation, at 4; AR, Tab 9.c, Leidos Oral Presentation Video, at 8:23 to 16:52. The agency did not, however, assign a weakness based on a general failure of Leidos to address tradeoffs. Instead, the weakness was specifically related to the lack of detail about Leidos' chosen biometric matching strategy/solution. While Leidos has pointed to areas in its presentation that addressed tradeoffs generally, Leidos has not effectively rebutted the agency's finding that the oral presentation lacked detail related to the specific strategy/solution selected by the protester. While the protester may disagree as to the level of detail needed by the agency, the protester's disagreement, without more, does not form a sufficient basis to demonstrate that the assignment of a weakness in this regard was unreasonable.

By way of a second example, the evaluators assigned a weakness to Leidos proposal because:

The offeror proposes to maintain the current [DELETED]. This design choice is questionable and may impact the HART objective of virtually eliminating scheduled and un-scheduled outages because of the time required to [DELETED].

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AR, Tab 13.a.1, Consensus Report for Oral Presentations, at 9.

Leidos contends that, when assigning this weakness, the evaluators ignored the extensive explanation provided by Leidos regarding its approaches to achieving high availability as well as disaster recovery, for which its proposal received a strength. Supp. Comments, at 36. Additionally, Leidos cites to portions of its oral presentation in which it described its approach to eliminating outages, in support of the proposition that Leidos' proposed approach would nearly eliminate the need for both scheduled and unscheduled outages. Id. According to Leidos, this information plainly contradicts the evaluators' rationale for assigning a weakness to Leidos' proposal. We disagree.

Leidos' arguments focus on ways in which its approach seeks to limit outages, thus avoiding situations necessitating a switch from [DELETED], a process referred to by the parties as "failover." The issue identified by the evaluators, however, has to do with the amount of time required to make the switch in situations where a switch from [DELETED] is necessary. As the agency explained, Leidos' oral presentation included no discussion of how processing would be switched from [DELETED] or how long it would take to complete that task. AR, Tab 20, Oral Presentation Evaluation Team Statement at 10. Leidos' arguments do not rebut the agency's finding that, in the event such a situation does arise, an outage could occur because of the time required to make the switch. AR, Tab 20, Oral Presentation Evaluation Team Statement at 14. As Leidos has failed to rebut the evaluators' finding, we find no basis to conclude that the assignment of a weakness was unreasonable.

A third example is based on the following weakness assigned to Leidos oral presentation:

The [DELETED] which is the system component underlying the [DELETED] is custom code. This may increase future maintenance costs and increase implementation risk.

AR, Tab 13.a.1, Consensus Report for Oral Presentations, at 9.

The protester argues that this finding is inconsistent with other positive findings noted by the evaluators. Supp. Comments at 37. A closer consideration of the positive findings

[t]he proposed solution for high availability and disaster recovery (DR) at the [DELETED] levels is good and represents a robust and low risk approach. The [g]overnment has confidence that this approach may limit system failures and downtime.

AR, Tab 13.a.1, Consensus Report for Oral Presentations, at 8.

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<sup>&</sup>lt;sup>18</sup> The evaluators assigned a strength to Leidos oral presentation because:

cited by the protester, however, reveals that the findings do not specifically address the use of custom code, and are not contradictory to the finding that the use of custom code might increase maintenance costs and increase implementation risk. For example, Leidos cites to the following strength assigned by the evaluators, arguing that it is inconsistent with the weakness assigned to its proposal:

The proposal for a [DELETED] is innovative and can increase flexibility in employing different matching offerors and algorithms for different processing needs. It may also reduce costs by fostering competition among biometric technology offerors. The offeror has indicated that it is targeting [DELETED]. This should result in flexibility and/or cost savings for the [g]overnment.

AR, Tab 13.a.1, Consensus Report for Oral Presentations, at 9.

The fact that the evaluators had positive findings about the [DELETED] as a general matter does not preclude them from finding that certain aspects of the solution were problematic. See Corps Sols., LLC, supra. Thus, while the evaluators may have assigned a strength because, in part, they expect to see some cost savings, that does not mean that the costs they will incur might not still increase in the future due to the use of custom code.

Similarly, as evidence that the weakness pertaining to implementation risk assigned by the agency was in error, Leidos cites to portions of the oral presentation in which presenters explained that the use of the [DELETED] would reduce implementation risk because the design would permit the addition of modalities, vendors, and algorithms into HART without the need to rework the code. <u>Id.</u> This is also unpersuasive. The fact that Leidos made assertions about a positive feature of its proposal does not require the agency to simply agree with the assertions. Additionally, the fact that Leidos believes its system will reduce implementation risk in some respects does not contradict the agency's finding that the use of custom code could, nevertheless, increase risks.

By way of a final example, the protester challenges the following weakness assigned to its proposal:

While the matching tier is being [DELETED], this proposed solution maintains a presence in [DELETED]. This may actually increase the complexity of the solution going forward with the need of maintaining [DELETED] platforms simultaneously instead of the current two.

AR, Tab 13.a.1, Consensus Report for Oral Presentations, at 10.

According to Leidos, DHS misunderstood its approach. In this regard, Leidos explains that the [DELETED] should be viewed as an extension of the [DELETED], rather than a separate platform, with responsibility for infrastructure maintenance of the [DELETED] resting on the [DELETED], thus eliminating the need for OBIM management. Supp.

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Comments at 38. Leidos also cites to portions of its proposal in an effort to demonstrate that its proposed solution will actually reduce complexity by, for example, using a [DELETED] to coordinate requests by customers through [DELETED] that could communicate with different biometric matchers located on [DELETED]. <a href="Id.">Id.</a> at 39. Ultimately, Leidos contends that its presentation fully addressed concerns regarding the maintenance of additional platforms, and provided details as to how its solution would be beneficial from a risk-avoidance perspective. Id.

Here, Leidos' arguments reflect disagreement with the agency and do not demonstrate that the assignment of this weakness was unreasonable. Additionally, to the extent the agency misunderstood Leidos' approach, just as the responsibility for submitting a well-written proposal with adequately-detailed information falls squarely on the offeror, BAE Sys. Tech. Solutions & Servs., Inc., B-409914, B-409914.2, Sept. 16, 2014, 2014 CPD ¶ 322 at 7, the responsibility for providing a thorough, persuasive response to agency questions as part of an oral presentation falls on the offeror.

In sum, none of Leidos' arguments regarding the assignment of weaknesses to its proposal under the oral presentations factor is persuasive, and we have no basis to conclude that the agency's evaluation under this factor was unreasonable.

Leidos: Cost/Price

Leidos next argues that the agency erred by overstating the amount of the upward adjustment to its proposed cost/price to account for its proposed use of [DELETED]. 2<sup>nd</sup> Supp. Comments at 49. In this regard, the RFP provided for an upward cost adjustment to be made in instances where an offeror opted to include the use of DHS data centers as part of its proposed solution. The purpose of the adjustment was to normalize the comparison of prices from one proposed solution to another by accounting for the additional cost that would be incurred by DHS as a result of the use of its data centers. Id. at 151.

To account for the associated cost of DHS data center hosting and level 1 managed services, the RFP provided that the agency would add an amount of up to \$16.2 million per year to the prices proposed in specified CLINs to reflect the current estimated yearly cost incurred by the agency for these data center services. <u>Id.</u> This would amount to the addition of up to \$1.35 million per month to an offeror's quoted monthly price on a prorated basis, proportional to the proposed DHS data center footprint. <u>Id.</u> The RFP further specified that the specified CLIN prices would be adjusted upon review of hosting choices made by the offeror and the estimated hidden hosting costs of the proposed approach. <u>Id.</u>

Leidos' solution was to be hosted [DELETED]. Since Leidos' [DELETED] solution was to be hosted in the [DELETED] for the [DELETED] period, the evaluators applied a

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[DELETED] upward adjustment. AR, Tab 14.f., Price Proposal Adjustment, at 2. In considering the [DELETED] that would be used by Leidos after certain elements of its solution were [DELETED], the evaluators concluded that the remaining parts of Leidos' architecture would be responsible for approximately [DELETED] percent of the [DELETED]. Id. Accordingly, DHS calculated adjustments for CLINs 1001A.1 (option 1, post deployment period 1) and 2001A.1 (option 2, post deployment period 2), at [DELETED] percent of the [DELETED], resulting in an upward adjustment of [DELETED] for each 12-month CLIN. Id. The evaluators also adjusted Leidos' cost/price to reflect the exercise of an option for six months of additional performance, which included a [DELETED] adjustment to Leidos' proposal based on its use of [DELETED]. AR, Tab 14.b, Revised Business Evaluation Report, at 5. Ultimately, the total upward adjustment to Leidos' proposed price, attributable to its proposed use of [DELETED], was [DELETED].

According to Leidos, the evaluators should have applied a much smaller upward cost/price adjustment based on the proportion of the [DELETED] that it proposed to use. Supp. Comments at 4. In this regard, Leidos argues that it proposed to use [DELETED] assets [DELETED], whereas historical information pertaining to IDENT indicated that IDENT was using 863 assets in data center one and 650 assets in data center two. The protester contends that, because it was proposing to use only a small portion of the assets currently used for IDENT, the upward adjustment of its proposed cost/price should have been far lower.

In response, the agency explains that it relied upon its own analysis of Leidos' proposed solution, and the corresponding [DELETED], in adjusting Leidos' price/cost, consistent with the RFP. 2<sup>nd</sup> Supp. MOL at 17. According to the agency, Leidos' estimate was inexplicably low when compared to the number of assets used for IDENT, and the agency was unable to determine "how or why Leidos came up with its numbers." 2<sup>nd</sup> Supp. MOL at 17.

With regard to increment 1, the evaluators concluded that because Leidos' [DELETED] would be hosted [DELETED] adjustment was appropriate for that time period. <u>Id.</u>
According to the agency, this determination was based on the fact that Leidos' would be providing the same services currently provided by IDENT, which occupied the entire [DELETED] during the most current year. Id. Additionally, the agency explains that the

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<sup>&</sup>lt;sup>19</sup> This included [DELETED] for the first twelve months plus [DELETED] for the remaining six months. AR, Tab 14.f., Price Proposal Adjustment, at 2.

<sup>&</sup>lt;sup>20</sup> The calculation is as follows: [DELETED] + [DELET

HART system will contain a similar, and possibly larger, universe of data that would need to be hosted, such that hosting HART [DELETED] would "require approximately the same [DELETED] and number of assets as IDENT, if not more." <u>Id.</u>

According to the agency, while Leidos proposed to use less than [DELETED] of the assets currently in use, it provided no explanation as to how it could host a similar universe of data with that number of assets. <u>Id.</u> As a result, the agency argues that it was reasonable to conclude that Leidos' estimate was inaccurate, and to adjust Leidos' increment 1 price upward by [DELETED]. <u>Id.</u> With regard to future CLINs, the evaluators conducted an analysis, based on Leidos' proposal to move certain elements of HART [DELETED], and concluded that those elements represented approximately [DELETED], and adjusted Leidos' price for those CLINs upward by [DELETED] amount allowed for use of the [DELETED]. <u>Id.</u> Based on this record, we have no basis to conclude that the upward cost adjustment to Leidos' proposed cost/price was unreasonable or inconsistent with the solicitation.

Here, the solicitation did not obligate evaluators to limit cost adjustments to an amount suggested by an offeror. Instead, as discussed above, the solicitation indicated that prices would be adjusted upon review of hosting choices made by the offeror and the estimated hidden hosting costs of the proposed approach. RFP at 159. A review of the record confirms that the information Leidos provided in its proposal regarding the number of assets it would use [DELETED] was limited. 2<sup>nd</sup> Supp. AR at 18. For example, as the agency notes, Leidos did not indicate whether the number of assets [DELETED] would change during different phases of performance, despite the fact that Leidos proposed to [DELETED] after the implementation period. Id. Accordingly, we find unobjectionable the agency's lack of reliance on Leidos' estimate, and conclude that it was reasonable for the agency to conduct its own review of Leidos' proposed solution in determining the appropriate amount by which Leidos' proposed cost/price should be adjusted.

#### Other Issues

Leidos also challenges the evaluation of its proposal under the resource and analysis and staffing factors. Given our conclusions above pertaining to the reasonableness of the agency's evaluation under the oral presentation and system development and execution factors, as well as the substantially lower evaluated price of NGSC's proposal, we see no reasonable possibility that any error on the part of the agency in rating Leidos' proposal under the third and fourth evaluation factors could have resulted in competitive prejudice to Leidos. Competitive prejudice is an essential element of every viable protest; where the protester fails to demonstrate that, but for the agency's actions, it would have had a substantial chance of receiving the award, there is no basis for finding prejudice, and our Office will not sustain the protest, even if deficiencies in the procurement are found. Dev Tech. Group, B-412163, B-412163.5, Jan. 4, 2016, 2016 CPD ¶ 10 at 10 n. 6.

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Additionally, Leidos alleges that DHS focused too heavily on price, skewing both its best-suited contractor determination and best-value tradeoff analysis in favor of NGSC. 2<sup>nd</sup> Supp. Comments at 58-65. This assertion is not borne out by the record. While NGSC had the lowest price, it also had the highest rating under the non-cost/non-price factors. The analyses challenged by the protester include a great deal of discussion about the pros and cons of the offerors' different approaches, in addition to discussion of cost/price. See AR, Tab 19, SSDD; AR, Tab 16, Best-Suited Contractor Determination. For example, in the best-suited contractor determination, the CO concluded that Leidos had the least desirable solution, technical and price considered, and also determined that an additional round of exchanges would not likely have made Leidos' proposal more competitive because, in addition to the fact that it had the highest proposed cost/price, Leidos would need to overcome complexities inherent in its design. AR, Tab 16, Best Suited Contractor Determination at 4. In sum, cost/price is established by the solicitation as one of the evaluation factors, and DHS's decision to make award to the lowest-priced offeror, who also had the highest rating under the other non-cost/price factors, does not support a finding that the agency gave too much weight to cost/price concerns.

The protest is denied.

Thomas H. Armstrong General Counsel

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