Decision

Matter of: ATA Aerospace, LLC

File: B-417427.2

Date: March 6, 2020

Devon E. Hewitt, Esq., and Michael E. Stamp, Esq., Protorae Law PLLC, for the protester.
Paul F. McQuade, Esq., Michael J. Schaengold, Esq., Daniel D. Straus, Esq., and Danielle K. Muenzfeld, Esq., Greenberg Traurig LLP, for Millennium Engineering and Integration Company, the intervenor.
Colonel Patricia S. Wiegman-Lenz, Major Michelle Gregory, Christian J. Robison, Esq., and Charles L. Webster, Esq., Department of the Air Force, for the agency.
John Sorrenti, Esq., and Christina Sklarew, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest challenging agency’s cost-realism evaluation of the awardee’s proposal for one of three initial task orders is denied where the record shows that the agency reasonably evaluated the awardee’s proposed costs.

DECISION

ATA Aerospace, LLC (ATAA), of Albuquerque, New Mexico, protests the award of a contract to Millennium Engineering and Integration Company (MEI), of Arlington, Virginia, by the Department of the Air Force, Research Laboratory, Space Vehicles Directorate, Integrated Experiments and Evaluation Division, under request for proposals (RFP) No. FA9453-18-R-0003. The agency issued the RFP to provide various services in support of the research and development integrated space experiments program. ATAA challenges the agency’s cost realism evaluation of the awardee’s proposal for one of three initial task orders.

We deny the protest.

BACKGROUND

The agency issued the RFP as a small business set-aside on May 22, 2018, seeking to award a single indefinite-delivery, indefinite-quantity (IDIQ) contract for research and
development (R&D) integrated space experiments (RISE). Agency Report (AR), Tab 6, RFP at 1, 56, 115. The RFP explained that the Air Force “conducts innovative research and development of ground, high-altitude balloon, near-space, and spaceflight experiments,” and solicited proposals for “concept design, development, integration, test and evaluation of new space technologies, innovative engineering prototypes, and new employment concepts.” Id. at 114. The contractor would provide research, engineering, and technical management to perform space technology analysis, development, integration, experimentation, demonstration, and evaluation in support of the Air Force’s mission. Id.

The RFP stated that the agency initially would award up to three cost-plus-fixed-fee task orders. Id. at 118. Award would be based on a best-value tradeoff determination considering a technical factor and a cost/price factor (hereinafter referred to as the cost factor). Id. at 152. The technical factor was considered significantly more important than cost, and consisted of the following five subfactors:

<table>
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<tr>
<th>Subfactor 1: Corporate Management</th>
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<tr>
<td>Subfactor 2: Overarching Technical Approach</td>
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<tr>
<td>Subfactor 3: Technical Approach to task order 1, Tactical Command, Control, and Communications (C3)</td>
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<tr>
<td>Subfactor 4: Technical Approach to task order 2, Position Navigation and Timing (PNT)</td>
</tr>
<tr>
<td>Subfactor 5: Technical Approach to task order 3, Small Satellite Portfolio (SSP)</td>
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Id. The first two subfactors were to assess the overall approach to the IDIQ, while the remaining three subfactors were to assess the technical approach to each of the three initial task orders. The corporate management and overarching technical approach subfactors were of equal importance and significantly more important than the remaining three subfactors, which were of equal importance to each other. Id. The RFP stated that the agency would assign a combined technical/risk rating for each of the subfactors and that no roll-up rating would be assigned at the factor level. Id. The combined technical/risk ratings that the agency used are, from highest to lowest, blue/outstanding, purple/good, green/acceptable, yellow/marginal, and red/unacceptable. Id. at 153.

As relevant to this protest, the objective for task order 3, small satellite portfolio (SSP), was to provide the SSP and the university nanosat program (UNP) with R&D, systems engineering, mission development, assembly, integration and test capabilities, and

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1 Citations to the RFP are to the second amended version; citations to page numbers for all documents are to the Bates numbers provided by the agency for each document.

2 The objective of the UNP is to “train the future [United States] aerospace workforce in systems engineering.” RFP, Task Order 3 Statement of Work (SOW) § 1.0, at 96.
program management for the agency’s small satellite space experiments and satellite programs. RFP, Task Order 3 SOW § 1.0 at 96. The task order 3 SOW anticipated that the contractor would perform approximately 30 different SSP experiments, divided equally into class 1 and class 2 missions, and set forth an anticipated schedule for those 30 experiments across the entire period of performance. Id., § 2.0 at 97. The SOW further explained that each SSP experiment comprises five phases of mission design, A through E, and described what was expected of the contractor in each phase. Id., § 1.0 at 96. The SOW stated that the agency anticipated that approximately 10 of the 30 concepts would make it into the early phases of mission design, and 6 concepts would make it through all five phases of the process. Id.

Under the cost factor, the agency would evaluate for reasonableness and realism the prices proposed for each of the three initial task orders. RFP at 156. The RFP stated that a price was reasonable if it represented a price “that a prudent person would pay in the conduct of competitive business.” Id. The RFP also explained that the agency would evaluate cost realism to determine “the extent to which proposed costs are realistic for the work to be performed; reflective of a clear understanding of the requirements, and are consistent with the unique methods of performance and materials described in the [o]fferor’s technical proposal.” Id.

Five offerors, including ATAA and MEI, submitted proposals in response to the RFP. AR, Tab 15, Source Selection Evaluation Board (SSEB) Final Report, at 13. The agency selected MEI for award and ATAA subsequently filed a protest with our Office challenging the agency’s cost realism and technical evaluations. On July 2, 2019, our Office sustained ATAA’s protest ground challenging the agency’s cost realism evaluation. We found that the cost realism evaluation was unreasonable where the agency’s determination that both offerors’ proposed costs were realistic was based on its finding that both offerors’ proposed labor hours and labor mix for task order 3 were consistent with and analogous to the historical data for a predecessor contract, despite ATAA proposing more than double the labor hours and cost that MEI proposed. ATA Aerospace, LLC, B-417427, July 2, 2019, 2019 CPD ¶ 245 at 7-9. We recommended that the agency reevaluate proposals under the cost factor in a manner consistent with our decision, and properly document this evaluation. Id. at 11.

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3 The RFP included a basic SOW explaining the overall requirements for the IDIQ contract, as well as SOWs for each of the three task orders. See RFP, Basic SOW, at 56-77; Task Order SOWs, at 78-105.

4 The RFP explained that a class 1 mission was a “highly cost and schedule constrained effort” that typically costs approximately $1,000,000 and lasts about one year in duration; a class 2 mission is a “moderately cost and schedule constrained effort” that costs approximately $5,000,000 and lasts about two years in duration. RFP at 127-28.

5 Section L of the RFP also included a table providing the anticipated number of flight experiments, which showed that the agency anticipated ten class 1 and five class 2 experiments progressing through all five phases. RFP at 114.
In response to our decision, the agency reevaluated proposals only under the cost factor, conducting a new quantitative analysis of each offeror’s cost proposals for each of the three task orders. Contracting Officer’s Statement (COS) at 7; AR Tabs 8, 11, Quantitative Analyses. After the reevaluation, the agency’s final ratings for ATAA and MEI were as follows:

<table>
<thead>
<tr>
<th></th>
<th>ATAA</th>
<th>MEI</th>
</tr>
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<tbody>
<tr>
<td>Corporate Management</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td>Overarching Technical Approach</td>
<td>Acceptable</td>
<td>Good</td>
</tr>
<tr>
<td>Technical Approach to Task Order 1, C3</td>
<td>Good</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Technical Approach to Task Order 2, PNT</td>
<td>Outstanding</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Technical Approach to Task Order 3, SSP</td>
<td>Good</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Total Evaluated Cost/Price</td>
<td>$85,278,793</td>
<td>$45,101,254</td>
</tr>
</tbody>
</table>

AR, Tab 16, Comparative Analysis Report, at 4.

In the best-value tradeoff analysis, the agency noted that MEI received a higher rating than ATAA for the overarching technical approach subfactor, which was one of two of the most important subfactors. AR, Tab 17, Source Selection Decision Document, at 38. While ATAA proposed a technically superior approach for the three task order subfactors, the agency noted that these subfactors were significantly less important than the first two technical subfactors. Id. With respect to total cost, the agency stated that while ATAA proposed a significantly higher cost than MEI, both proposals were reasonable and realistic, “with the primary difference due to each offeror’s unique approach.” Id. at 41. Ultimately, the agency concluded that ATAA did not present the best value to the government given that ATAA’s proposed cost was nearly $37.5 million more than MEI’s proposed cost, and ATAA received a lower rating on the overarching technical approach subfactor. Id. at 39. The agency determined that “MEI received technically superior [g]ood . . . evaluations in the two [t]echnical [s]ubfactors which the [g]overnment identified as significantly more important than [t]echnical [s]ubfactors 3, 4, and 5 and proposed a reasonable and realistic cost . . . for its technically superior approach and thus presents the best value for the [g]overnment.” Id.

The agency ultimately selected MEI for award, and on November 19, 2019, notified ATAA and MEI of its award decision. Following a debriefing, ATAA timely filed its protest with our Office.

DISCUSSION

ATAA challenges various aspects of the agency’s cost realism evaluation, asserting that the agency unreasonably determined that MEI’s proposed cost for task order 3 was realistic, where MEI’s proposed cost of $25,106,527 was less than half of ATAA’s proposed cost of $60,497,109. The agency counters that it conducted a comprehensive and thorough evaluation under the cost factor, and reasonably determined that MEI’s proposed cost for task order 3 was realistic. Based on our review of the record, we find the agency’s cost evaluation of MEI’s proposal to be unobjectionable.
When an agency evaluates a proposal for the award of a cost-reimbursement contract, 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. Federal Acquisition Regulation (FAR) §§ 15.305(a)(1), 15.404-1(d); Exelis Sys. Corp., B-407673 et al., Jan. 22, 2013, 2013 CPD ¶ 54 at 7; CGI Fed. Inc., B-403570 et al., Nov. 5, 2010, 2011 CPD ¶ 32 at 5 n.1. 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. FAR § 15.404-1(d)(1); DynCorp Int’l LLC, B-411465, B-411465.2, Aug. 4, 2015, 2015 CPD ¶ 228 at 8. An agency is not required to conduct an in-depth cost analysis, see FAR § 15.404-1(d)(1), or to verify each and every item in assessing cost realism; rather, the evaluation requires the exercise of informed judgment by the contracting agency. AdvanceMed Corp.; TrustSolutions, LLC, B-404910.4 et al., Jan. 17, 2012, 2012 CPD ¶ 25 at 13. While an agency’s cost realism analysis need not achieve scientific certainty, the methodology employed must be reasonably adequate and provide some measure of confidence that the rates proposed are reasonable and realistic in view of other cost information reasonably available to the agency at the time of its evaluation. Tantus Techs., Inc., B-411608, B-411608.3, Sept. 14, 2015, 2015 CPD ¶ 299 at 10. Our review of an agency’s cost realism evaluation is limited to determining whether the cost analysis is reasonably based and not arbitrary. TriCenturion, Inc.; SafeGuard Servs., LLC, B-406032 et al., Jan. 25, 2012, 2012 CPD ¶ 52 at 6.

Here, the record demonstrates that the agency thoroughly reviewed MEI’s technical approach, direct labor, and the types and quantities of labor hours and labor mix to determine whether the proposed costs were realistic. See AR, Tab 11, MEI Quantitative Analysis. Based on this review, the agency concluded that MEI’s technical approach demonstrated an adequate approach to and understanding of the task order 3 requirements, the proposed direct labor was realistic and reflected a clear understanding of the requirements, and the labor mix was necessary and consistent with the unique methods of performance described in MEI’s proposal. Id. at 3, 9.

As relevant to this protest, in analyzing both offerors’ proposed direct labor, the agency explained that the RISE contract:

supports research and development (R&D) efforts for SSP, thus analyzing the estimation of this work is inherently less deterministic, as many unforeseen complexities can occur throughout the lifecycle of a flight experiment. Some technologies are less mature than others, and some require more development efforts upfront than others. Therefore, the [g]overnment is relying on . . . historical context based on previous contracts of this type ([Space Technology Research and Integrated Vehicle Experiments (STRIVE)] Task Order 0003: SSP and Task Order 0007: [university nanosat program (UNP)]) to assess realism for the work to be performed, which was also subject to the same uncertainties that this R&D effort faces. The process of progressing small satellites through
multiple phases of R&D efforts . . . is similar across these contracts (STRIVE and RISE), but the historical context is used as a reference to help assess realism of the contractor’s proposed direct labor cost.

AR, Tab 8, ATAA Quantitative Analysis, at 5; Tab 11, MEI Quantitative Analysis, at 4.

Thus, to evaluate cost realism, the agency compared both offerors’ proposed direct labor to the historical data from the STRIVE contract. See id. MEI’s proposal provided the proposed direct labor for each of the five phases of SSP experiments, and the UNP development work.6 AR, Tab 11, MEI Quantitative Analysis, at 4. Accordingly, to evaluate the realism of MEI’s proposed direct labor, the agency compared the number of full-time employees (FTEs) proposed by MEI to the historical FTE data from the STRIVE contract for each phase and the UNP.7 Id. at 5-9. The following chart is derived from the agency’s cost realism evaluation, and shows for each phase and the UNP, MEI’s proposed FTEs, the FTEs from the STRIVE contract, and the percent difference:

<table>
<thead>
<tr>
<th>Phase</th>
<th>MEI FTEs</th>
<th>STRIVE FTEs</th>
<th>Percent Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>[DELETED]</td>
<td>10.35</td>
<td>[DELETED]</td>
</tr>
<tr>
<td>B</td>
<td>[DELETED]</td>
<td>27.56</td>
<td>[DELETED]</td>
</tr>
<tr>
<td>C</td>
<td>[DELETED]</td>
<td>23.6</td>
<td>[DELETED]</td>
</tr>
<tr>
<td>D</td>
<td>[DELETED]</td>
<td>21.06</td>
<td>[DELETED]</td>
</tr>
<tr>
<td>E</td>
<td>[DELETED]</td>
<td>6.74</td>
<td>[DELETED]</td>
</tr>
<tr>
<td>UNP</td>
<td>[DELETED]</td>
<td>12.75</td>
<td>[DELETED]</td>
</tr>
<tr>
<td>Totals</td>
<td>[DELETED]</td>
<td>102.06</td>
<td>[DELETED]</td>
</tr>
</tbody>
</table>

See id.

Consistent with its statement that analyzing the estimation of work for R&D efforts is “inherently less deterministic,” the agency’s evaluation of MEI’s direct labor noted that the uncertain nature of the R&D work required for task order 3 could potentially increase or decrease the number of FTEs necessary to perform a particular phase. See id. For example, for phase A, the agency determined that immature technology, design flaws, or parts unavailability could increase the schedule needed to conduct phase A, while some R&D efforts might progress faster through the use of commercial-off-the-shelf parts availability, and therefore reduce the length of phase A. Id. at 5. For phase D, the

6 The RFP stated that offerors were required to provide for each task order the “total proposed hours summarized by labor skill mix.” RFP at 135. For task order 3, the RFP did not require an offeror to identify its proposed hours by each phase or the UNP, though MEI chose to do so.

7 In MEI’s proposal, an FTE was based on a person working 1,880 hours per year; therefore the agency calculated the historical FTE numbers from the STRIVE contract using 1,880 hours. AR, Tab 11, MEI Quantitative Analysis, at 4.
agency stated that unforeseen launch delays or extended on-orbit operations could lengthen the schedule, while accelerated launch times or meeting on-orbit objectives sooner than expected could hasten progress. Id. at 7. Accordingly, the agency determined that because of the unique nature of R&D efforts, the FTEs proposed for each phase could fall within a margin of plus/minus 40 percent as compared to the historical data, and still be considered reasonable and realistic. Id. at 5-9.

Based on this analysis, the agency concluded that MEI’s proposed FTEs for each phase and the UNP were reasonable and realistic. Although the difference between MEI’s FTEs and the STRIVE FTEs for phase A was slightly [DELETED], the agency found that the contractor proposed to utilize a model-based systems engineering tool, which would “support mission design for each satellite mission . . . [by] incorporate[ing] high fidelity, full mission modeling to enable rapid spacecraft development, thus creating viable concepts that can be explored as potential mission designs for Class 1 and Class 2 satellite systems.” Id. at 5. The agency thus concluded that MEI’s use of the model-based tool “significantly cuts down the amount of engineering support needed for [p]hase A,” and therefore determined that MEI’s proposed number of FTEs for phase A was realistic.\(^\text{8}\) Id.

In addition to reviewing direct labor, the agency compared MEI’s proposed types and quantities of labor hours and labor mix with the historical labor spread from the STRIVE contract, and found MEI’s proposed approach to be appropriate and consistent with MEI’s technical proposal. Id. at 9-14. Specifically, the agency compared the percentage of total workforce that each of MEI’s different labor categories comprised against the historical percentages from the STRIVE contract number and found that the labor spread was appropriate for MEI’s proposed technical approach.\(^\text{9}\) Id. at 10. Based on our review of the record, we find that the agency’s cost realism evaluation of MEI’s task order 3 proposal was reasonable.

ATAA contends that the agency’s use of a 40 percent margin was a “crutch in its realism justification” that allowed the agency to “reverse-engineer[]” a cost analysis that would support a finding that MEI’s proposed costs were realistic. Protester’s Comments at 11. ATAA also argues that adding a margin to the historical STRIVE contract FTEs was unnecessary because the agency stated that the STRIVE work “was also subject to the same uncertainties that R&D efforts face,” which therefore “implies that the staffing for the STRIVE . . . work already addressed the vagaries of R&D work.” Id.

\(^\text{8}\) The agency also mistakenly stated that MEI’s proposed FTE’s were [DELETED]. AR, Tab 11, MEI Quantitative Analysis, at 5. However, the record reflects that the agency concluded that the proposed number of FTEs was realistic because of MEI’s use of the model-based tool, not because the number [DELETED]. See id.

\(^\text{9}\) The agency also determined that MEI’s proposed cost for materials was realistic, and evaluated the realism of the direct labor and labor mix for MEI’s subcontractors, finding that these were realistic for all subcontractors. AR, Tab 11, MEI Quantitative Analysis, at 15-21.
As discussed above, in its cost realism evaluation, the agency applied a 40 percent margin when comparing MEI’s proposed FTEs to the STRIVE FTE data. See AR, Tab 11, MEI Quantitative Analysis, at 5-9. The agency reasoned that this margin was appropriate because the significant R&D efforts required for task order 3 created some uncertainty in how much effort would be required, and could increase or decrease the number of FTEs necessary to perform a phase. See id. While ATAA has generally challenged the use of this margin, ATAA has not demonstrated that the margin fails to accurately and fairly represent the uncertainties that the agency asserts are inherent in a contract that requires a significant R&D effort. Indeed, the agency’s cost realism evaluation identified certain R&D efforts specific to each phase that could affect the number of necessary FTEs, and ATAA has not challenged the agency’s conclusions with respect to these specific R&D efforts. Nor has ATAA shown that it was unreasonable for the agency to generally conclude that contracts involving R&D work can create uncertainties in determining the appropriate amount of effort required.

Furthermore, for the instances where MEI proposed fewer FTEs than were used on the STRIVE contract, the agency explained why it concluded that the proposed FTEs were realistic. For phase A, the only phase where the difference between MEI’s proposed FTEs and the STRIVE FTEs [DELETED], the agency explained that the proposed FTEs were realistic because MEI’s proposed use of a model-based tool would decrease the amount of support needed for phase A.10 For phase D and the UNP work, MEI proposed [DELETED] and [DELETED] percent fewer FTEs, respectively, as compared to the STRIVE contract, both well within the 40 percent margin. We also note that, based on the FTE numbers in the agency’s cost realism evaluation, MEI proposed a total of [DELETED] FTEs, which is more than the STRIVE total number of FTEs of 102.06. Accordingly, on this record, we find that the agency’s use of a 40 percent margin in its cost realism evaluation was reasonable.11

We also do not agree with the protester’s argument that because the agency stated that the STRIVE contract was subject to the same uncertainties that R&D efforts face, the addition of any margin to the historical STRIVE FTE numbers was unnecessary or

10 ATAA argues that “the record does not contain any information about the [model] tool nor its impact on the labor effort needed to accomplish the [p]hase A tasks.” Protester’s Comments at 10-11. However, as explained above, the agency’s cost realism evaluation specifically states that use of the tool can “enable rapid spacecraft development,” which “significantly cuts down the amount of engineering support needed for [p]hase A.” AR, Tab 11, MEI Quantitative Analysis, at 5. The SSEB also discussed the tool in its report, listing it as one of several tools proposed by MEI that together led the agency to assign a strength to MEI’s proposal under the corporate management subfactor. AR, Tab 15, SSEB Report, at 91, 104-105.

11 We note that, as explained above, the agency’s cost realism evaluation determined that MEI’s proposed types and quantities of labor hours and labor mix were necessary and consistent with the unique methods of performance described in MEI’s proposal. ATAA has not challenged this finding.
unreasonable. The agency explained that it was using the historical context of the STRIVE data “as a reference to help assess realism of the contractor’s proposed direct labor cost,” suggesting that the agency did not expect the two contracts to provide an identical comparison. See AR, Tab 11, MEI Quantitative Analysis, at 4. Indeed, the agency noted that the contracts were similar but that the RISE contract “has evolved into a more streamlined and better structured requirement that meets the government’s needs presently and for future task orders under the RISE acquisition.” COS at 14-15. Therefore, given that the STRIVE and RISE requirements are not identical, we find that it was reasonable for the agency to apply a margin to the historical STRIVE FTE numbers, even if the STRIVE contract was subject to the same type of uncertainty associated with contracts requiring significant R&D work.

ATAA also argues that the agency’s reliance on the historical STRIVE FTEs “greatly understates the level of effort required to perform satisfactorily the RISE . . . requirements.” Protester’s Comments at 9. ATAA asserts that the RISE SOW includes “additional and more complex requirements” than those included in the STRIVE SOW, and therefore the RISE contract requires a greater number of labor hours. Id. at 8. As support for this assertion, ATAA submits a declaration from the project manager of the STRIVE contract, whom ATAA also proposed to be the project manager for the RISE contract. Id. at 7. In the declaration, ATAA’s project manager identifies a list of requirements from the RISE task order 3 SOW that he claims were not included in the STRIVE contract SOW, and states “[i]n my opinion, many of these additional requirements are of a more complex nature than those present in the STRIVE TO 0003 SOW” and therefore required more labor hours. Protester’s Comments, Project Manager Decl., at 2.

It is well-established that a procuring agency is in the best position to determine its own needs and the best method for accommodating them, and our Office will not question that determination absent clear evidence that it is unreasonable. L-3 Army Sustainment LLC, B-415349.2, B-415349.3, Jan. 3, 2018, 2018 CPD ¶ 13 at 7. An agency’s evaluation of proposals is generally a matter within the agency’s discretion, and our Office will not reevaluate proposals but rather, will examine the record to determine whether the agency’s judgments were reasonable and consistent with the terms of the solicitation and applicable statutes and regulations. See, e.g., Booz Allen Hamilton, Inc.; Leidos Inc., B-410032.4 et al., Mar. 16, 2015, 2015 CPD ¶ 108 at 5.

We find that ATAA has not presented clear evidence showing that the agency’s use of the historical STRIVE FTE numbers was unreasonable. Specifically, we find that the opinion of ATAA’s project manager does not supersede the agency’s informed analysis and decision to utilize the historical STRIVE FTE numbers in its cost realism analysis. Moreover, while the project manager identifies 14 allegedly additional requirements, he then states that many—but apparently not all—of these additional requirements are “of a more complex nature.” It is therefore not clear how many of the additional requirements are of a more complex nature, how they are more complex, or why the additional
complexity would require more FTEs. In short, ATAA has not demonstrated that the agency’s use of the STRIVE FTE numbers in its cost realism analysis was unreasonable.

Finally, ATAA asserts that the agency unreasonably abandoned the independent government cost estimate (IGCE) when it conducted the cost realism evaluation. MEI’s proposed cost for task order 3 was lower than the IGCE, and ATAA contends that rather than disavowing the IGCE, the agency should have concluded that the disparity between MEI’s proposed cost and the IGCE suggested that MEI’s proposed cost was not realistic. Protester’s Comments at 3-4.

In the quantitative analysis for each offeror, the agency explained that comparing proposals to the IGCE did “not provide an accurate or useful comparison for analyzing the contractor’s understanding of the work to be performed.” AR, Tab 8, ATAA Quantitative Analysis, at 3; Tab 11, MEI Quantitative Analysis, at 3. In particular, the agency determined that the IGCE assumed a maximum capacity and throughput of potential satellite development efforts and did not correlate with the anticipated level of effort reflected in the RFP. AR, Tab 8, ATAA Quantitative Analysis at 2-3. In this regard, the agency noted that the task order 3 SOW described the known quantity of satellite experiments, and reflected that the contractor would complete three class 1 and three class 2 satellite experiments at a total estimated cost of $18 million. Id.

The agency also recognized that RFP section L described both the known and unknown quantity of satellite experiments anticipated by the agency, and reflected that the contract would complete ten class 1 and five class 2 satellite experiments at a total estimated cost of $35 million. Id. The agency explained that the IGCE did not correspond with either of these anticipated levels of effort because the IGCE “was derived from historical cost data from work performed on the predecessor contract [STRIVE] [t]ask [o]rder[s 0003 and 0007, in conjunction with the assumption of maximum throughput and capacity for the SSP and UNP government supported facilities.” Id. Given the disparity between the RFP and IGCE, the agency concluded the IGCE “did not provide helpful analysis relative to this Quantitative Assessment for Task Order 0003.” Id.

Procuring agencies are not required to rely on IGCEs when performing cost realism evaluations. TWD & Assocs., Inc., B-416834 et al., Dec. 26, 2018, 2019 CPD ¶ 13 at 11 n.16. Here, as stated above, the agency’s quantitative analysis included a detailed explanation for why the IGCE did not provide a useful or accurate comparison.

12 The project manager stated that it was his “understanding . . . that ATAA determined that it would need to propose a far greater number of labor hours to satisfy the RISE [task order 3] SOW requirements” than used on the STRIVE contract. Protester’s Comments, Project Manager Decl., at 2. However, the agency determined that ATAA’s higher number of FTEs was attributed to ATAA’s “elaborate and thorough technical approach” that exceeded the agency’s requirements. AR, Tab 8, ATAA Quantitative Analysis, at 7; Tab 16, Comparative Analysis Report, at 5.
to either offeror’s proposal. We find this explanation to be reasonable and see nothing improper about the agency’s decision not to use the IGCE in its cost realism evaluation. Therefore, we find that the protester’s argument that the agency unreasonably abandoned its IGCE is without merit.

The protest is denied.

Thomas H. Armstrong
General Counsel