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# Decision

**Matter of:** Deloitte Consulting LLP

**File:** B-419336.2; B-419336.4; B-419336.6

**Date:** January 21, 2021

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Michael Kiffney, Esq., Christopher Reames, Esq., and Thomas McGivern, Esq., Department of Homeland Security, for the agency.  
April Y. Shields, Esq., and Christina Sklarew, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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## DIGEST

1. Protest challenging agency's evaluation of the protester's and awardee's quotations under the non-price factors is denied where the record shows that the agency's evaluation was reasonable and consistent with the terms of the solicitation and applicable procurement law and regulation.
  2. Protest challenging agency's price evaluation, including the conclusion that the awardee's higher price was reasonable, is denied where the record shows that the agency's evaluation was reasonable and consistent with the terms of the solicitation and applicable procurement law and regulation.
  3. Protest challenging the agency's best-value tradeoff decision is denied where the agency documented its basis for selecting a higher-priced, technically superior quotation and where the underlying evaluation was reasonable.
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## DECISION

Deloitte Consulting LLP of Arlington, Virginia, protests the establishment of a blanket purchase agreement (BPA) with Grant Thornton Public Sector LLC of Arlington, Virginia, by the Department of Homeland Security, Transportation Security Administration (TSA), under request for quotations (RFQ) No. 70T04020Q9CAP8003 for program analysis and strategic support services. Deloitte protests various aspects of the agency's evaluation and source selection decision.

We deny the protest.

## BACKGROUND

On May 12, 2020, pursuant to Federal Acquisition Regulation (FAR) subpart 8.4, the agency issued the RFQ to contractors holding certain categories of General Services Administration (GSA) Federal Supply Schedule (FSS) contracts.<sup>1</sup> RFQ at 244.<sup>2</sup> The RFQ sought a contractor to provide program analysis and strategic support (PASS) services. The RFQ explained that the PASS requirement is focused on “identifying and pursuing available technological capabilities that TSA can apply to the TSA’s operational support environment” and “improv[ing] the efficacy of TSA programs and projects.” *Id.* The RFQ further explained that the PASS requirement is distinct from other program and acquisition management services, and requires “a fundamental understanding of TSA’s technologies, projects, programs, practices, policies, and procedures, and the ability to respond promptly to challenging and evolving requirements.” *Id.*

The RFQ contemplated the establishment of a single-award BPA under which fixed-price, time-and-materials, or hybrid task orders would be issued. RFQ at 244. The BPA would be performed over a 1-year base period and four 1-year option periods, and would have a total estimated value of \$350 million. *Id.* at 245.

The RFQ established a two-phase process; only phase 2 is relevant to this protest.<sup>3</sup> The RFQ provided for award on a best-value tradeoff basis considering only phase 2, in

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<sup>1</sup> Specifically, the RFQ was issued to contractors with professional services schedule 00CORP contracts for mission oriented business integrated services with special item numbers 874-1 (integrated consulting services), 874-7 (integrated business program support services), 871-1 (strategic planning for technology programs/activities), 871-2 (concept development and requirements analysis), or 871-6 (acquisition and life cycle management), and to contractors with consolidated multiple award schedule contracts for business administrative services under North American Industry Classification System codes 541611, 541715, or 541330ENG. Agency Report (AR), Tab 4, Conformed RFQ, at 244.

<sup>2</sup> The agency amended the RFQ twice. Citations to the RFQ are to the conformed solicitation provided by the agency at Tab 4 of the agency report. Citations to pages in the record, including the RFQ, are to the Bates-numbered pages provided by the agency.

<sup>3</sup> The RFQ specifically established that “Phase 1 evaluations and the advisory [notice] will have no impact on the final evaluation and award decision in Phase 2.” RFQ at 303. In phase 1, the agency would consider two evaluation factors of equal importance-- a sample Performance Work Statement (PWS), and prior experience--and provide vendors with an advisory notice that would inform them of their likelihood of award. The RFQ noted that the purpose of the advisory notice was to minimize quotation

which the evaluation was based on five evaluation factors, listed in descending order of importance: management approach, technical approach, prior experience, socio-economic considerations, and price. The RFQ further provided that the four non-price factors, combined, were significantly more important than price, and cautioned vendors that award would not necessarily be made to the lowest-priced vendor. RFQ at 310-311.

For each of the four non-price factors, the RFQ provided that the agency would assign a confidence rating and that the evaluation “will necessarily entail the subjective and professional judgment of the government evaluators.” RFQ at 310. The first three non-price factors would be evaluated based on an oral presentation and a written slide deck of up to 50 slides.<sup>4</sup> *Id.* at 304. The fourth non-price factor and price would be evaluated based on a separate written submission. *Id.*

Under the management approach factor, the RFQ provided that the agency would evaluate, among other things, “the extent to which the [vendor’s] management plan clearly demonstrates the [vendor’s] ability to provide program and project management on time and with high quality.” RFQ at 311. Vendors were required to address four elements, including, of relevance here, to “present a recruitment and retention approach that addresses how resources would be replaced during performance due to attrition, competing priorities, and underperformance.” *Id.* at 307.

Under the technical approach factor, the RFQ required vendors to address three technical scenarios<sup>5</sup> and provided that the agency would evaluate “the extent to which

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development costs, and that vendors could elect to continue to phase 2 regardless of the advice received in the advisory notice. *Id.* at 301-303. On or before May 26, the agency received phase 1 quotations from 11 vendors. AR, Tab 22, Business Clearance Memorandum, Sept. 23, 2020, at 661.

<sup>4</sup> The RFQ provided that the oral presentation would total approximately three-and-a-half hours and include the presentation of the slides, caucus and presentation of an on-the-spot technical scenario, and caucus and answers to questions posed by the agency. RFQ at 306. The RFQ also provided that “[t]he slide deck for the oral presentation represents the official written submission for Volume II, and must contain all information to be covered in the oral presentation.” *Id.* at 305.

<sup>5</sup> Two scenarios were provided in the RFQ and a third was to be provided during the oral presentation for an on-the-spot response. RFQ at 307-308. Of relevance here, the first scenario required vendors to address and respond to a 1-year initiative, in light of the COVID-19 pandemic’s “long-term implications on the future of the airport checkpoint,” to explore how airport checkpoints could be “more contactless, streamlined, or remote in order to safeguard passengers, contractors, and TSA employees.” *Id.* at 307. The third scenario required vendors to address and respond to “assist[ing] in populating and maintaining a government management database that includes the collection of [t]est and [e]valuation activities” and data to be collected

the [vendor] provided information that clearly and concisely identified strategies, processes, and methodologies to successfully meet the scope of services as they relate to the technical scenarios.” RFQ at 303-305, 311. The RFQ also provided that “the response to th[e first] technical scenario will form the basis for the price evaluation,” but vendors were not to include any pricing in the technical response. *Id.* at 307-308.

With regard to price, the RFQ instructed vendors to complete an attachment to the RFQ to include a completed pricing table for all labor categories, a price quotation based on the vendor’s sample scope of work for the first technical scenario, and a crosswalk of the quoted labor categories to the vendor’s GSA schedule rates.<sup>6</sup> RFQ at 310. The RFQ provided that the agency would calculate a total evaluated price based on the vendor’s quotation for the first technical scenario, and evaluate the total evaluated price, labor escalation rates across option years, and the prices of individual labor categories. *Id.* at 312. The RFQ provided that the agency would evaluate quotations to determine fair and reasonable pricing, and “may determine that a proposal is unacceptable if any prices appear unreasonably high, low, or unbalanced.” *Id.* The RFQ specified that “[t]he government reserves the right to utilize any of the price analysis techniques prescribed below to determine fair and reasonable pricing,” including comparison of quoted prices, historical pricing, competitive published price lists, and an independent government cost estimate (IGCE). *Id.* The RFQ further provided that the agency would compare the vendor’s quoted rates with those established in the vendor’s GSA schedule,<sup>7</sup> and ensure that in a submitted crosswalk, “the GSA schedule labor categories are comparable to the qualifications in [an a]ttachment” to the RFQ. *Id.*

On or before July 24, the agency received phase 2 quotations from four vendors, including Deloitte and Grant Thornton. Oral presentations were held from July 27 to July 30. The technical evaluation team (TET) assessed quotations under the first three non-price factors, while the price evaluation team (PET) assessed quotations under the fourth non-price factor and price. AR, Tab 16, Source Selection Authority (SSA) Decision Memorandum, Sept. 23, 2020, at 565. The agency evaluated the quotations as follows:

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across multiple offices “requiring synchronization of reporting.” AR, Tab 5, Technical Scenario 3, at 313.

<sup>6</sup> The attachment to the RFQ included 9 labor categories: two analysts, two consultants, one manager, one director, and three subject matter experts. AR, Tab 24, RFQ Attachment 2, at 701. Vendors could propose additional labor categories, with justification, and the agency would have the discretion to incorporate those additional labor categories. RFQ at 310. The RFQ further instructed that “the labor categories and hours must match the response to [the first] technical scenario” and that the price quotation “must identify the specific labor categories, rates, and hours to develop a total [fixed price] for the work.” *Id.*

<sup>7</sup> The RFQ also encouraged vendors to provide price discounts from their GSA schedule rates. *Id.*

	<b>Deloitte</b>	<b>Grant Thornton</b>
<b>Management Approach</b>	Some Confidence	High Confidence
<b>Technical Approach</b>	High Confidence	High Confidence
<b>Prior Experience</b>	Some Confidence	Some Confidence
<b>Socio-Economic Considerations</b>	Some Confidence	Some Confidence
<b>Total Evaluated Price</b>	\$867,064	\$1,653,118

AR, Tab 15, Tradeoff Analysis Report, Sept. 17, 2020, at 540.

Based on the evaluation reports from the TET and PET, as well as the tradeoff analysis and award recommendation, the SSA noted that Grant Thornton’s quotation presented “many notable benefits”<sup>8</sup> and “a superior approach,” and represented the best overall value and lowest risk of unsuccessful performance to the agency. AR, Tab 16, SSA Decision Memorandum, at 567.

In comparing Deloitte and Grant Thornton’s quotations, the SSA specifically noted that Grant Thornton received a higher confidence rating under the management approach factor, was “technically superior” under the technical approach and prior experience factors, and was “identical” under the fourth non-price factor. AR, Tab 16, SSA Decision Memorandum, at 566. With regard to price, the SSA noted that, “[a]lthough Grant Thornton’s total evaluated price is significantly higher than Deloitte’s, it represents less performance risk to the government.” *Id.* The SSA also noted that “Grant Thornton did not underestimate the level of effort for their total evaluated price relative to the technical scenario 1 approach.” *Id.* The SSA concluded that “Grant Thornton’s quotation represented a superior solution with multiple technical advantages and the least risk to the government” and, overall, “a better value to the government than Deloitte.” *Id.*

Deloitte was subsequently notified of the agency’s source selection decision. This protest followed.

## DISCUSSION

Deloitte challenges many aspects of the agency’s source selection decision, including, but not limited to: the agency’s evaluation under three of the non-price factors; the agency’s price evaluation; and the best-value tradeoff decision. In its various protest

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<sup>8</sup> A “benefit” was defined as “an element of the quote [that] exceeds a requirement of the RFQ in a beneficial way to the government.” A “risk” was defined as “a quote element that has the potential to cause a disruption of schedule, an increase in price, or a degradation of performance.” AR, Tab 3, Quote Evaluation Plan, July 20, 2020, at 242.

submissions, Deloitte has raised arguments that are in addition to, or variations of, those specifically discussed below. While we do not specifically address all of Deloitte's arguments, we have considered all of them and find that they afford no basis on which to sustain the protest.<sup>9</sup>

#### Evaluation of Non-Price Factors

Deloitte presents multiple allegations regarding the agency's evaluation of both Deloitte's and Grant Thornton's quotations under three of the non-price factors, including management approach and technical approach. As discussed in the representative examples below, we find no basis to sustain Deloitte's protest.

Where, as here, a procurement is conducted pursuant to FAR subpart 8.4, our Office will not reevaluate quotations, nor substitute our judgment for that of the agency; rather, we will review the record to ensure that the agency's evaluation was reasonable and consistent with the terms of the solicitation and applicable procurement laws and regulations. See, e.g., *VariQ Corp.*, B-409114 *et al.*, Jan. 27, 2014, 2014 CPD ¶ 58 at 8. Further, a protester's disagreement with a procuring agency's evaluation judgments, without more, does not establish that the evaluation was unreasonable. *DEI Consulting*, B-401258, July 13, 2009, 2009 CPD ¶ 151 at 2.

#### Evaluation of Deloitte's Quotation

Deloitte argues that the agency unreasonably assessed various risks and failed to identify various benefits in its quotation. As an example, Deloitte argues that the agency unreasonably assessed a risk in its quotation for failing to address replacement of underperforming personnel. Protest at 13. Deloitte asserts that "[i]t is beyond dispute that Deloitte's proposed approach encompassed replacement due to underperformance," and argues that the solicitation did not call for vendors to explain how they would first identify underperforming personnel for replacement. Comments and Second Supp. Protest at 12-13.

Under the management approach factor, the RFQ provided that the agency would evaluate "the extent to which the [vendor's] management plan clearly demonstrates the [vendor's] ability to provide program and project management on time and with high quality." RFQ at 311. Vendors were required to address four elements, including, of relevance here, to "present a recruitment and retention approach that addresses how

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<sup>9</sup> Further, Deloitte initially raised, but subsequently abandoned, some of its initial challenges, including an allegation that the agency waived a material requirement for the awardee with regard to security clearances for contractor personnel, and other allegations that the agency unreasonably failed to assess various benefits in the protester's quotation. Compare Protest at 15-16, 20-21, 26-28, with Memorandum of Law (MOL) at 5-7, 11-13, 20-21, with Comments and Second Supp. Protest. We will not consider abandoned arguments. *IntelliDyne, LLC*, B-409107 *et al.*, Jan. 16, 2014, 2014 CPD ¶ 34 at 3 n.3.

resources would be replaced during performance due to attrition, competing priorities, and underperformance.” *Id.* at 307.

In evaluating Deloitte’s quotation under the management approach factor, the TET assigned a “some confidence” rating and assessed three risks and no benefits. The record shows, and the agency explains, that Deloitte’s quotation “d[id] not explain how an underperforming resource would be replaced.” MOL at 3; see *also* AR, Tab 8, Deloitte Quotation Volume II, July 24, 2020, at 340. In this regard, the agency explains: “Unlike resources lost due to attrition and competing requirements, which can be determined by an individual’s physical presence and availability to perform, determining and/or assessing underperformance is not as categorical. While Deloitte may have stated that it would replace an underperforming resource within 24 hours, it did not explain how it would first determine that a resource is underperforming in order to reach the replacement phase to ensure there are not gaps in knowledge or performance.” MOL at 3-4. The TET noted in its report the following:

On slide 20, [Deloitte] mentions replacement due to underperformance but failed to address replacement due to underperformance. This omission is a risk that has the potential to cause a disruption of schedule, an increase in price, or a degradation of performance, as the government cannot assess [Deloitte’s] ability to address underperforming employees.

AR, Tab 12, TET Consensus Report for Deloitte, Sept. 1, 2020, at 488. This risk was further noted in the tradeoff analysis report. AR, Tab 15, Tradeoff Analysis Report, at 542.

On this record, we find that the agency’s assessment of this risk in Deloitte’s quotation was reasonable. We are unpersuaded by Deloitte’s contention that the RFQ “did not request information regarding how offerors would identify underperforming resources” or “suggest that the agency would include that consideration in the evaluation of quotations.” Comments and Second Supp. Protest at 11. A solicitation need not identify all areas within each factor that might be taken into account in an evaluation, provided such unidentified areas are reasonably related to, or encompassed by, the stated evaluation factors. *The Dixon Group, Inc.*, B-406201, B-406201.2, Mar. 9, 2012, 2012 CPD ¶ 150 at 4; *Coley & Assocs., Inc.*, B-404034 *et al.*, Dec. 7, 2010, 2011 CPD ¶ 6 at 5. Identification of underperforming resources is, in our view, reasonably related to and encompassed by the RFQ’s requirement to “address[] how resources would be replaced during performance due to . . . underperformance.” RFQ at 307. Moreover, notwithstanding Deloitte’s disagreement, the evaluation appears consistent with the terms of the solicitation, and the agency’s response appears consistent with that contemporaneous evaluation. As such, this protest ground is denied.

As another example, Deloitte argues that the agency unreasonably assessed a risk for its approach to one of the technical scenarios under the technical approach factor, which was referenced as a discriminator in the source selection decision. Among its many points of disagreement, Deloitte contends that the risk was based on an unstated

evaluation criterion and that the agency “improperly determined that Deloitte’s proposed level of effort was unrealistic based solely on the number of labor hours proposed, without taking into account Deloitte’s experience on other TSA projects and Deloitte’s proposed technical approach.” Protest at 22-23; see *also* Comments and Second Supp. Protest at 21-27.

Under the technical approach factor, for the first technical scenario, the RFQ described an initiative to be performed over a 1-year period, in light of the COVID-19 pandemic’s “long-term implications on the future of the airport checkpoint,” to explore how airport checkpoints could be “more contactless, streamlined, or remote in order to safeguard passengers, contractors, and TSA employees.” RFQ at 307. Vendors were required to “[d]escribe how [they] would go about planning for the current and anticipated future requirements under this initiative, addressing how the PWS would be developed, staffing the requirement, preparing appropriate performance metrics, [and] identifying stakeholders and adequate expertise.” *Id.* The RFQ provided that the agency would evaluate “the extent to which the [vendor] provided information that clearly and concisely identified strategies, processes, and methodologies to successfully meet the scope of services as they relate to the technical scenarios.” *Id.* at 303-305, 311.

In evaluating Deloitte’s quotation under the technical approach factor, the TET assigned a “high confidence” rating and assessed three benefits and one risk. For this technical scenario, Deloitte proposed staffing of 7 (out of 9) labor categories across a total of [REDACTED] hours, which the TET translated into approximately [REDACTED] standard full-time equivalents (FTEs). AR, Tab 8, Deloitte Quotation Volume II, July 24, 2020, at 355; AR, Tab 12, TET Consensus Report for Deloitte, at 491. The TET found that “[t]his estimate appears low relative to the level of effort associated with the approach for [this] technical scenario[.]” AR, Tab 12, TET Consensus Report for Deloitte, at 491. The TET noted that Deloitte’s proposed approach included “[REDACTED] deliverables (*e.g.*, contactless enhancements special study, test and deployment plans, current state assessment, and global COVID coordination strategy, all within the first 120 days of award), [REDACTED] separate leadership briefings . . . , and 1 final brief to the Administrator, all to be produced and conducted over a 12-month period.” *Id.* at 491-492; see *also* AR, Tab 8, Deloitte Quotation Volume II, at 353.

In the TET’s view, “[b]ased on these aspects, the low FTE estimate is a risk that has the potential to cause a disruption of schedule, an increase in price, or a degradation of performance by not providing enough resources to successfully perform the full scope of work.” AR, Tab 12, TET Consensus Report for Deloitte, at 492. Ultimately, the TET concluded:

Overall, [Deloitte] demonstrated superior understanding of the requirement in technical scenarios 1 and 2, even though the FTE estimate in scenario 1 did not necessarily align with that approach. . . . [Deloitte] included seven of nine available labor categories in its FTE estimate for technical scenario 1, but the number of hours appears to be underestimated, and more hours may be required to better align with the



approach outlined. However, the magnitude of the underestimate is not significant, and as a fixed price task, risk to the government is minimal.

*Id.* This risk was further noted in the tradeoff analysis and source selection decision. AR, Tab 15, Tradeoff Analysis Report, at 543; AR, Tab 16, SSA Decision Memorandum, at 567 (concurring with the TET's assessment of the benefits and risks).

On this record, we find no basis to question the agency's assessment of this risk in Deloitte's quotation. We disagree with Deloitte's contention that the agency relied on an unstated evaluation criterion in conducting its assessment. We agree with the agency's view that the vendor's "proposed labor categories and hours are inherently a part of th[e] approach" contemplated by the RFQ, and "the extent to which the methodologies presented can successfully meet the scope of service was properly questioned by the TET in light of the low labor hour estimate." MOL at 16.

The protester argues further that the agency did not consider "Deloitte's proposed level of effort in relation to Deloitte's unique technical approach, including, among other things, whether Deloitte's workforce was particularly skilled and efficient based on its ongoing COVID-related work for the TSA or whether Deloitte's unique approach would enable it to perform the work more efficiently." Comments and Second Supp. Protest at 24. For instance, Deloitte points out that it referenced "several times throughout its oral presentation" its support for TSA's Pandemic Planning Executive Committee. Protest at 23; Comments and Second Supp. Protest at 25-26.

The agency responds that these references did not explain "how Deloitte propose[d] to perform the work on [the first technical scenario] as required by the RFQ," and that, "[a]lthough Deloitte clearly wanted the TET to be impressed by Deloitte's experience and specific work on [the Pandemic Planning Executive Committee], the TET members didn't even know what [the Pandemic Planning Executive Committee] was." MOL at 17, 17 n.9. It is a vendor's responsibility to submit a well-written quotation, with adequately detailed information which clearly demonstrates compliance with the solicitation requirements; the vendor runs the risk that the agency will unfavorably evaluate its quotation where it fails to do so. See *22nd Century Techs., Inc.*, B-418029 *et al.*, Dec. 26, 2019, 2020 CPD ¶ 14 at 4. In all, this protest ground is denied.<sup>10</sup>

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<sup>10</sup> Seven days after filing its initial protest, Deloitte filed a first supplemental protest that it represented provided additional support for this protest ground, as well as for its initial challenges to the agency's price evaluation. Deloitte asserts that its first supplemental protest "is timely filed within ten (10) days of Deloitte's October 13, 2020 debriefing, which is the first date on which Deloitte knew or should have known the grounds for protest stated herein." First Supp. Protest at 1. Yet, Deloitte's first supplemental protest cites no information from the debriefing, and relies instead on the agency's answers to questions that were part of the RFQ, which Deloitte had already referenced as an exhibit to its initial protest. *Id.* at 1-3, *citing* Protest, Exhibit 1-1, RFQ Amendment 2, Questions and Answers. Since our Bid Protest Regulations do not contemplate the

## Evaluation of Grant Thornton's Quotation

Deloitte challenges various aspects of the agency's evaluation of Grant Thornton's quotation.<sup>11</sup> As an example, Deloitte argues that the evaluation of the third technical scenario was unreasonable and inadequately documented. Neither Grant Thornton nor Deloitte received any benefits or risks here, but Deloitte argues that the agency "cut and pasted the same evaluation summary for Deloitte and Grant Thornton despite significant differences in their responses." Comments and Second Supp. Protest at 30. Deloitte also points out that the evaluation summary for Grant Thornton contains "factual inaccuracies" by referencing aspects that Grant Thornton did not identify in its response to the technical scenario. *Id.* at 30-31.

Under the technical approach factor, the third technical scenario--which was to be provided during the oral presentation for an on-the-spot response--required vendors to address and respond to "assist[ing] in populating and maintaining a government management database that includes the collection of [t]est and [e]valuation activities" and data to be collected across multiple offices "requiring synchronization of reporting." AR, Tab 5, Technical Scenario 3, at 313; RFQ at 308. The RFQ provided the agency would evaluate "the extent to which the [vendor] provided information that clearly and concisely identified strategies, processes, and methodologies to successfully meet the scope of services as they relate to the technical scenarios." RFQ at 303-305, 311.

The agency evaluated Deloitte and Grant Thornton's responses to the third technical scenario as meeting, but not exceeding, the requirements. For both, the TET noted:

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unwarranted piecemeal presentation or development of protest issues, the claims raised in Deloitte's first supplemental protest are not timely filed and are dismissed. 4 C.F.R. § 21.2(a)(2); *see, e.g., International Code Council*, B-409146, Jan. 8, 2014, 2014 CPD ¶ 26 at 3 n.3.

<sup>11</sup> Many of Deloitte's challenges to the agency's evaluation of Grant Thornton's quotation are combined with allegations of disparate treatment. In conducting procurements, agencies may not engage in conduct that amounts to unfair or disparate treatment of competing vendors. *Arc Aspicio, LLC et al.*, B-412612 *et al.*, Apr. 11, 2016, 2016 CPD ¶ 117 at 13. It is a fundamental principle of federal procurement law that a contracting agency must treat all vendors equally and evaluate their quotations evenhandedly against the solicitation's requirements and evaluation criteria. *See Sumaria Sys., Inc.; COLSA Corp.*, B-412961, B-412961.2, July 21, 2016, 2016 CPD ¶ 188 at 10. Where a protester alleges unequal treatment in a technical evaluation, it must show that the differences in ratings did not stem from differences between the quotations. *Camber Corp.*, B-413505, Nov. 10, 2016, 2016 CPD ¶ 350 at 8. We have reviewed the protester's allegations in this regard, and find that the protester has not met this burden.

The [vendor] provided adequate information that clearly and concisely identified strategies, processes, and methodologies to successfully meet the scope of services as they relate to the technical scenario. The [vendor] adequately identified the various generic types of reports typically available and likely encountered in the test and evaluation community, discussed readily available software tools and applications that could be employed, such as [REDACTED], and related office suite applications, and how data would be managed through COTS [commercial off-the-shelf] database management tools/systems.

AR, Tab 12, TET Consensus Report for Deloitte, at 492; AR, Tab 13, TET Consensus Report for Grant Thornton, at 506 (with an additional reference to a “[REDACTED]”).

In response to the protest, the agency provided a declaration from the TET chairperson acknowledging an error in the agency’s documentation, stating that the evaluation report referenced platforms that Grant Thornton did not identify in its quotation, and that the error occurred as a result of “copying and pasting from another [vendor’s] TET Report.” Declaration of TET Chair, Dec. 10, 2020, at 1. The TET chairperson reiterates that no benefits or risks were assessed to the awardee’s quotation and explains that this error “in no way affected the evaluation of Grant Thornton’s, or any other [vendor’s], quote.” *Id.* The agency argues that “[t]his typographical error had no effect on the evaluation or award decision.” Supp. MOL at 8-9.

On this record, we think that the agency sufficiently documented its judgments and conclusions in such a manner that there is no basis to find the evaluation unreasonable. For procurements conducted pursuant to FAR subpart 8.4 that require a statement of work, such as this one, section 8.405-2(e) of the FAR designates limited documentation requirements. *Arrington Dixon & Assocs., Inc.*, B-409981, B-409981.2, Oct. 3, 2014, 2014 CPD ¶ 284 at 8. In a FAR subpart 8.4 procurement, an agency’s evaluation judgments must be documented in sufficient detail to show that they are reasonable. *Id.*

We also find no basis to conclude that the error in the evaluation report for Grant Thornton had any effect on the evaluation or award; removal of those references would not have altered Grant Thornton’s or Deloitte’s chances for receiving the award. The agency’s post-protest explanation for the error in the TET report appears consistent with the contemporaneous record. See, e.g., *Native Energy & Tech., Inc.*, B-416783 *et al.*, Dec. 13, 2018, 2019 CPD ¶ 89 at 4. Competitive prejudice is an essential element of a viable protest, and we will sustain a protest only where the protester demonstrates that, but for the agency’s improper actions, it would have had a substantial chance of receiving the award. See *DRS ICAS, LLC*, B-401852.4, B-401852.5, Sept. 8, 2010, 2010 CPD ¶ 261 at 21-22. Where the record establishes no reasonable possibility of prejudice, we will not sustain a protest even if a defect in the procurement is found. See *Procentrix, Inc.*, B-414629, B-414629.2, Aug. 4, 2017, 2017 CPD ¶ 255 at 11-12.

In addition, and based on the protester’s contention that its approach was superior to the awardee’s approach to this technical scenario, Deloitte argues that it should have

received a benefit for, among other things, “convey[ing] its understanding of critical [test and evaluation] activities at the TSA.” Comments and Second Supp. Protest at 34; see *also id.* at 33-35, *citing* Second Supp. Protest, Exhibit 1, Transcript of Deloitte’s Oral Presentation, July 28, 2020. The agency explains that “the additional information [Deloitte] points to concerning the agency’s testing and evaluation program was not requested, nor considered beneficial to the government for [the] purposes of this procurement,” and that “merely telling TSA about its own testing and evaluation program did not provide a basis on which the TET could award Deloitte a benefit for [technical] scenario 3.” Supp. MOL at 10. To the extent Deloitte complains that the agency’s explanation is not reflected in the record, we note that an agency is not required to document every single aspect of its evaluation or explain why a quotation did not receive a strength for a particular feature. See, e.g., *22nd Century Techs., Inc.*, B-417336, B-417336.2, May 24, 2019, 2019 CPD ¶ 198 at 5; *InnovaSystems Int’l, LLC*, B-417215 *et al.*, Apr. 3, 2019, 2019 CPD ¶ 159 at 10. In all, this protest ground is denied.

### Price Evaluation

Deloitte challenges the agency’s price evaluation underlying the agency’s selection of Grant Thornton’s higher-priced quotation. Deloitte contends that “the agency has provided no rational basis for its price reasonableness determination of Grant Thornton’s quot[ation].” Protest at 35. Deloitte also argues that the agency deviated from the stated evaluation criteria by “considering price evaluation criteria other than the [total evaluated price].” Protester’s Supp. Comments at 21; see *also* Comments and Second Supp. Protest at 41. In response, the agency argues that its price evaluation was reasonable and consistent with the terms of the solicitation, asserting that “TSA conducted an exhaustive price evaluation of Grant Thornton[’s quotation] and determined that the quoted pricing was fair and reasonable.” MOL at 30; see *also* Supp. MOL at 13-15. As discussed below, we find no basis to sustain Deloitte’s protest.

The manner and depth of an agency’s price analysis is a matter committed to the discretion of the agency, which we will not disturb provided that it is reasonable and consistent with the solicitation’s evaluation criteria and applicable procurement statutes and regulations. See, e.g., *22nd Century Techs., Inc.*, B-418029 *et al.*, *supra*, at 15. An agency’s concern in making a price reasonableness determination is whether the offered prices are too high, rather than too low. *Vital Link, Inc.*, B-405123, Aug. 26, 2011, 2011 CPD ¶ 233 at 6.

The RFQ provided that the agency would calculate a total evaluated price based on the vendor’s quotation for the first technical scenario, and evaluate the total evaluated price, labor escalation rates across option years, and the prices of individual labor categories. RFQ at 312. The RFQ provided that the agency would evaluate quotations to determine fair and reasonable pricing, and “may determine that a proposal is unacceptable if any prices appear unreasonably high, low, or unbalanced.” *Id.* The RFQ specified that “[t]he government reserves the right to utilize any of the price analysis techniques prescribed below to determine fair and reasonable pricing,”

including comparison of quoted prices, historical pricing, competitive published price lists, and an IGCE.<sup>12</sup> *Id.* The RFQ further provided that the agency would compare the vendor's quoted rates with those established in the vendor's GSA schedule, and ensure that in a submitted crosswalk, "the GSA schedule labor categories are comparable to the qualifications in [an a]ttachment" to the RFQ. *Id.*

The record shows that the PET calculated the mean of the four quotations and found that Grant Thornton's total evaluated price was below the mean. AR, Tab 14, Price Report, Sept. 17, 2020, at 522. The PET also noted that, because the vendors "all proposed different approaches in their response to [the first] technical scenario, [ ] the hourly rate represents a good point of comparison for quantifying the value of the work relative to the level of effort." *Id.* The PET analyzed underlying information related to Grant Thornton's total evaluated price, including the quoted labor rates and hours. *Id.* at 519-522. The PET concluded that Grant Thornton's total evaluated price, as well as those of the other vendors, was fair and reasonable. *Id.* at 525.

The record also shows that the PET analyzed Grant Thornton's quoted labor rates and found that all of them were "significantly discounted" from the rates in Grant Thornton's GSA schedule contract and either "comparable to or lower than" the IGCE for the labor rates.<sup>13</sup> AR, Tab 14, Price Report, at 520-522. The PET noted that, "[a]s the posted GSA rates have already been determined to be fair and reasonable, the reduced quoted rates for PASS can also be determined to be fair and reasonable." *Id.* at 520. The PET also analyzed "the standard deviation for each labor rate across all four vendors." *Id.* at 521. While the PET acknowledged "some risk" associated with Grant Thornton's rates being higher than the mean, in its view, "the variation in the rates from the mean is not excessive, the rates are also notably lower than the GSA and IGCE rates, and therefore the labor rates are determined to be fair and reasonable."<sup>14</sup> *Id.* at 521-522.

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<sup>12</sup> We note that the FAR includes a non-exhaustive list of permitted price analysis techniques that ensure that the agency pays a fair and reasonable price. FAR 15.404-1. One of the techniques permitted by the FAR is a "[c]omparison of proposed prices received in response to the solicitation." FAR 15.404-1(b)(2)(i) (adding also that, "[n]ormally, adequate price competition establishes a fair and reasonable price"). While the provisions of FAR part 15 do not directly apply to a procurement conducted under FAR subpart 8.4, our Office has advised that we will analyze protests of procurements like the one here by using the standards applicable to negotiated procurements as a guide. See, e.g., *Digital Sys. Grp., Inc.*, B-286931, B-286931.2, Mar. 7, 2001, 2001 CPD ¶ 50 at 5-6.

<sup>13</sup> The IGCE for the labor rates was prepared using "an average of rates from past and current TSA contracts with similar requirements to PASS" and "based upon comparable qualifications to the 9 established labor categories for this requirement." AR, Tab 14, Price Report, at 512.

<sup>14</sup> The PET noted that Grant Thornton's quotation included additional volume discount terms on BPA orders based on the total order value, such that, "[w]hile there are no

On this record, the agency's price reasonableness evaluation, and its conclusion that Grant Thornton's price was reasonable, is unobjectionable. Contrary to Deloitte's contention that the agency improperly "consider[ed] price evaluation criteria other than the [total evaluated price]," Protester's Supp. Comments at 21, here, the RFQ expressly provided for the agency to consider more than total evaluated price. RFQ at 312. Moreover, the agency's price evaluation, as discussed above, appears consistent with the terms of the solicitation and applicable procurement law and regulation. For instance, for total evaluated price, the RFQ expressly provided for the agency to exercise its discretion in selecting a method for analyzing price reasonableness, including "comparison of quoted prices received in response to the RFQ." *Id.*

Deloitte's reliance on the tradeoff analysis report, to argue that the agency deviated from the stated evaluation criteria, is unpersuasive. See Comments and Second Supp. Protest at 41; Protester's Supp. Comments at 21. The record shows that the price evaluations were referenced in the tradeoff analysis report and source selection decision. See AR, Tab 15, Tradeoff Analysis Report, at 545-546; AR, Tab 16, SSA Decision Memorandum, at 565-567. The tradeoff analysis report, specifically the sentences questioned by Deloitte, included the following:

Grant Thornton's [total evaluated] price is 91 [percent] higher than Deloitte, a premium of \$786,054.30. However, the comparison of [total evaluated price] is not the best point of comparison for price, as each [vendor] provided a different approach, varying significantly in level of effort (and as a result, price). Furthermore, as a BPA valued at \$350,000,000, the mean of sample orders reflects only one one-hundredth (1/100th) of the total value on this contract, and order pricing will be

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guaranteed savings over the life of the BPA, any orders placed over the \$[REDACTED] [million] threshold will result in additional savings to the government depending on the size of the order." AR, Tab 14, Price Report, at 520. We note, and find unpersuasive, Deloitte's complaint that the agency "afford[ed] Grant Thornton additional consideration for volume-based discounts" because vendors "were not on notice that they could receive credit in the price evaluation for volume[-]based discounts." Comments and Second Supp. Protest at 41-42.

The RFQ encouraged vendors to provide price discounts from their GSA schedule rates. RFQ at 312. To the extent Deloitte contends that this language does not specify "volume-based" discounts, we also note that a solicitation need not identify all areas within each factor that might be taken into account in an evaluation, provided such unidentified areas are reasonably related to, or encompassed by, the stated evaluation factors. *The Dixon Group, Inc., supra*, at 4; *Coley & Assocs., Inc., supra*, at 5. Moreover, we agree with the agency's argument that this feature of Grant Thornton's quotation was "another valid consideration in determining the best value to TSA." Supp. MOL at 14.

negotiated based on level of effort for individual task orders utilizing the established rates.

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Furthermore, Grant Thornton's price premium is overstated based on Deloitte's higher level of risk and a price analysis of the individual rates. Based on a comparison of the blended rate for both [vendors' total evaluated price], the average hourly rate for Deloitte employees is \$[REDACTED], and the average rate for Grant Thornton employees is \$[REDACTED], a price premium of [REDACTED] [percent] compared to Grant Thornton's [total evaluated price] premium of 91 [percent]. Although still a higher cost, it is justifiable based on the identified management and technical benefits offered by Grant Thornton as it relates to performance.

AR, Tab 15, Tradeoff Analysis Report, at 545.

We think this language properly reflects the agency's obligation to conduct a best-value tradeoff analysis and did not, as Deloitte contends, "repudiate[]" the price evaluation. Comments and Second Supp. Protest at 41. We agree with the agency's view that: "While perhaps unartfully worded, TSA's acknowledgment of the limitations of a mechanical comparison of [total evaluated prices] is not, as Deloitte alleges, an abdication, but rather a recognition that surface level analysis is insufficient to determine the best value." Supp. MOL at 14. This protest ground is denied.<sup>15</sup>

#### Best-Value Tradeoff Decision

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<sup>15</sup> In evaluating Deloitte's price quotation, the PET also noted "some risk associated with the total evaluated price due to the underestimated level of effort[.]" AR, Tab 14, Price Report, at 519. Deloitte contends that it was improper for the agency to conduct "a full-blown price realism analysis." Protest at 33 n.4. Specifically, Deloitte asserts that it is "not alleging that the RFQ prohibited a price realism evaluation altogether, only that it limited the evaluation of price realism to acceptability." Comments and Second Supp. Protest at 44 n.7. Deloitte's claim relies on the following language from the RFQ, which provides that the agency "may determine that a proposal is unacceptable if any prices appear unreasonably high, low, or unbalanced." RFQ at 312. This language does not support, nor has the protester identified any other basis for, Deloitte's contention that the solicitation authorized only a limited type of price realism so as to limit the agency's discretion to a determination of acceptability. As here, an agency may provide for a price realism analysis in a solicitation that contemplates the issuance of a BPA against the vendors' FSS contracts for the limited purpose of measuring vendors' understanding of the requirements or to assess the risk inherent in a vendor's quotation. See *OMNIPLEX World Servs. Corp.*, B-291105, Nov. 6, 2002, 2002 CPD ¶ 199 at 9; *PHP Healthcare Corp.*, B-251933, May 13, 1993, 93-1 CPD ¶ 381 at 5. The nature and extent of such a price realism analysis ultimately are matters within the sound exercise of the agency's discretion. *Citywide Managing Servs. of Port Washington, Inc.*, B-281287.12, B-281287.13, Nov. 15, 2000, 2001 CPD ¶ 6 at 4-5.

Finally, Deloitte contends that the agency's best-value decision was defective because it was based on alleged evaluation errors. Protest at 35; Comments and Second Supp. Protest at 44. Based on our review of the record, and as discussed above, we conclude that the agency's evaluation and source selection decision were reasonable and in accordance with the terms of the solicitation. Here, the record shows that the SSA provided a well-reasoned basis for a tradeoff that identified discriminators between the quotations and justified paying Grant Thornton's higher price. AR, Tab 16, SSA Decision Memorandum; AR, Tab 22, Business Clearance Memorandum. The record is consistent with the requirement that where, as here, a procurement conducted pursuant to FAR subpart 8.4 provides for award on a "best value" basis, it is the function of the SSA to perform a price/technical tradeoff, that is, to determine whether one quotation's technical superiority is worth its higher price. *InnovaTech, Inc.*, B-402415, Apr. 8, 2010, 2010 CPD ¶ 94 at 3, 6 n.8; *The MIL Corp.*, B-297508, B-297508.2, Jan. 26, 2006, 2006 CPD ¶ 34 at 13. Accordingly, this protest ground is also denied.

The protest is denied.

Thomas H. Armstrong  
General Counsel