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# Decision

**Matter of:** Derivative, LLC

**File:** B-420687.3; B-420687.4

**Date:** May 12, 2023

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## DIGEST

1. Protests challenging the agency's evaluation of proposals are denied where record reflects the evaluation was reasonable and consistent with the solicitation's evaluation criteria.
  2. Protest challenging the agency's selection of a higher-rated, higher-priced proposal is denied where record reflects the best-value tradeoff was reasonable, consistent with the solicitation, and adequately documented the technical merits of the awardee's proposal that justify payment of its associated price premium.
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## DECISION

Derivative, LLC, a service-disabled veteran-owned small business of Arlington, Virginia, protests the issuance of a task order to Credence Dynamo Solutions, LLC, a small disadvantaged business of Vienna, Virginia, under Defense Information Systems Agency (DISA) request for proposals (RFP) No. 1545426, issued for systems engineering and technical assistance (SETA) support services. The protester alleges that the agency's evaluation of proposals and award decision were improper.

We deny the protest.

## BACKGROUND

On March 11, 2022, using the procedures of Federal Acquisition Regulation (FAR) subpart 16.5, the agency issued the solicitation to holders of General Services

Administration (GSA) One Acquisition Solution for Integrated Services small business pool 1 indefinite-delivery, indefinite-quantity (IDIQ) contracts. Contracting Officer's Statement and Memorandum of Law (COS/MOL) at 4-5. The solicitation sought to procure Project Manager Positioning, Navigation, and Timing (PM PNT) SETA support services. Agency Report (AR), Tab 1, RFP at 1; AR, Tab 1a, Performance Work Statement (PWS) at 4.<sup>1</sup> "The Army's PM PNT provides system of systems architecture and PNT products for the Army's mounted (attached to a vehicle) and dismounted (handheld) platforms" for specialized global positioning navigation systems. COS/MOL at 5.

The solicitation contemplated issuance of a cost-plus-fixed-fee task order for a 6-month base period and four 1-year option periods. RFP at 1-2. The solicitation established that award would be made on a best-value tradeoff basis considering the following three factors: (1) technical / management approach (technical); (2) past performance; and (3) cost.<sup>2</sup> *Id.* at 3-4. The technical factor was more important than past performance, and the two non-cost factors, combined, were more important than the cost factor. *Id.* at 4.

For the technical evaluation factor, the RFP established two equally important subfactors with specific elements for the offerors to address: (1) phase-in transition plan (phase-in); and (2) management approach. *Id.* at 5-6. While proposals would not receive an overall rating for the technical factor, the evaluators would assign an adjectival rating of "outstanding," "acceptable," or "unacceptable" to each subfactor. *Id.* at 5. With respect to past performance, the solicitation established that the agency would assess its degree of confidence in the offeror's ability based on the relevancy and quality assessments of recent contracts.<sup>3</sup> *Id.* at 6-7. As to cost, the agency would evaluate proposals for reasonableness, completeness, and realism. *Id.* at 7-10. Additionally, the solicitation advised that the agency "may" use the results of the realism analysis "in performance risk assessments and responsibility determinations." *Id.* at 8.

The agency received 15 proposals and, based on initial evaluations, the agency established a competitive range of 7 offerors, including Derivative and Credence. AR, Tab 14a, Award Notice; AR, Tab 13, Price Negotiation Memorandum (PNM) at 3. After

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<sup>1</sup> Citations to the record are to the documents' Adobe PDF pagination. The RFP was amended 8 times; citations to the RFP are to the conformed final version at tab 1 of the agency report.

<sup>2</sup> The RFP also provided for an initial evaluation of proposals on an acceptable or unacceptable basis under a security clearance factor, with only offerors evaluated as acceptable proceeding to the full evaluation. RFP at 4. The security clearance factor was not to be utilized in the best-value tradeoff determination and is not at issue in this protest. *Id.*; see Protest *passim*.

<sup>3</sup> Under the past performance factor, the evaluators would assign each proposal an overall adjectival rating of "substantial confidence," "satisfactory confidence," "neutral confidence," "limited confidence," or "no confidence." RFP at 6.

conclusion of discussions, and based on evaluation of final proposal revisions, the agency issued the task order to Credence on December 16. COS/MOL at 13-15.

Derivative protested the initial award decision. *Derivative, LLC*, B-420687.2, Jan. 4, 2023 (unpublished decision). In response, the agency notified our Office that it intended to take corrective action by amending the solicitation, evaluating revised proposals, and making a new award decision. *Id.* We dismissed the protest as academic on January 4, 2023. *Id.*

Following dismissal of the protest, the agency amended the past performance evaluation section of the RFP, allowed offerors to revise their past performance proposals, and conducted additional discussions. COS/MOL at 16. The agency evaluated final revised proposals as follows:

	Derivative	Credence
<b>TECHNICAL</b>		
<b>Phase-In</b>	Acceptable	Outstanding
<b>Management Approach</b>	Acceptable	Outstanding
<b>PAST PERFORMANCE</b>	Satisfactory Confidence	Substantial Confidence
<b>COST</b>	\$81,742,414	\$109,236,328

*Id.* at 16-25; AR, Tab 17, Selection Recommendation Document (SRD) at 2.

The contracting officer, who also served as the source selection authority (SSA), concurred with the technical evaluation team’s (TET) and cost/price analyst’s assessment of proposals, and concluded that Credence’s proposal provided the best value. AR, Tab 13, PNM at 5. On January 23, DISA again issued the task order to Credence. COS/MOL at 23-25. This protest followed.<sup>4</sup>

## DISCUSSION

The protester contends that DISA unreasonably identified performance risk in the evaluation of Derivative’s proposal. Protest at 20-21, 26-27. Derivative also argues that the agency unreasonably failed to identify strengths in Derivative’s proposal and improperly assigned strengths to Credence. *Id.* at 21-23. Finally, the protester

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<sup>4</sup> This protest is within our jurisdiction to hear protests of task orders placed under civilian agency IDIQ contracts valued in excess of \$10 million. 41 U.S.C. § 4106(f)(1)(B); *Wyle Labs., Inc.*, B-413989, Dec. 5, 2016, 2016 CPD ¶ 345 at 4. The authority under which we exercise our task order jurisdiction is determined by the agency that awarded the IDIQ contract under which the task order is issued, here GSA, rather than the agency that actually issues or funds the task order. *Id.*

challenges the agency's best-value tradeoff analysis for a number of reasons.<sup>5</sup> *Id.* at 28-29. In filing and pursuing this protest, Derivative has made arguments that are in addition to, or variations of, those discussed below. We have considered all of the protester's arguments and, while we do not address them all here, we find that none provides a basis on which to sustain the protest.

#### Performance Risk

The protester alleges the assessment of performance risk in its cost proposal is inconsistent with, and unsupported by, the agency's evaluation under the technical and cost factors. Comments & Supp. Protest at 11-14. The agency defends its evaluation of risk associated with Derivative's approach as reasonable and consistent with the stated evaluation scheme. COS/MOL at 26-35.

As stated above, the task order competition was conducted pursuant to FAR subpart 16.5. The evaluation of proposals in a task order competition, including the determination of the relative merits of proposals, is primarily a matter within the contracting agency's discretion, because the agency is responsible for defining its needs and the best method of accommodating them. *CSRA LLC*, B-417635 *et al.*, Sept. 11, 2019, 2019 CPD ¶ 341 at 9. In reviewing protests challenging the evaluation of an offeror's proposal, it is not our role to reevaluate proposals; rather, our Office examines the record to determine whether the agency's judgment was reasonable and in accordance with the solicitation's evaluation criteria and applicable procurement statutes and regulations. *Mission Essential, LLC*, B-418767, Aug. 31, 2020, 2020 CPD ¶ 281 at 5; *Distributed Sols., Inc.*, B-416394, Aug. 13, 2018, 2018 CPD ¶ 279 at 4. A protester's disagreement with the agency's judgment, without more, is not sufficient to establish an agency acted unreasonably. *CSRA LLC*, *supra*.

Here, the evaluators identified potential performance risk in Derivative's cost proposal based on the firm's proposed pay rates and labor mix. AR, Tab 11, Cost Evaluation at 18-19. As part of the best-value tradeoff, the SSA agreed with, and relied upon, this identified performance risk when comparing Derivative's and Credence's proposals:

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<sup>5</sup> Derivative also argues that it should be reimbursed its proposal preparation costs and the costs of filing and pursuing both this protest and the initial protest. Protest at 28-31. We have no basis to recommend reimbursement of costs where, as here, we find no merit to the protest. Nor do we have any basis to recommend reimbursement of costs based on the alleged inadequacy of the agency's earlier corrective action where the argument is based on the merits of the same protest grounds denied here as well as grounds that Derivative subsequently withdrew. See *Booz Allen Hamilton, Inc.--Costs*, B-420116.4, B-420116.5, July 27, 2022, 2022 CPD ¶ 194 at 8 (denying request for reimbursement of costs based on withdrawn protest grounds); *WILL Tech., Inc.--Costs*, B-419815.6, Feb. 3, 2022, 2022 CPD ¶ 55 at 3 (denying request for costs of pursuing earlier protest where the agency took prompt corrective action and the protester had not shown that the earlier protest was clearly meritorious).

It is also important to note that Derivative's cost proposal was determined to represent performance risk. Derivative proposed [ ] direct labor rates for [DELETED] [percent] of their proposed labor mix at only the [DELETED] percentile of pay according to ERI [Economic Research Institute] data. This approach contains risk in frequent staff turnover and retention. This approach was also noted as conflicting with their stated approach that they would "provide salaries at or above market". Additionally, Derivative's approach was determined to contain performance risk for the proposed labor mix. The technical team did note that Derivative's approach contained performance risk as it likely did not provide a labor mix that could provide full mission support.

AR, Tab 13, PNM at 10.

The protester argues that the agency's conclusions, in this regard, "cannot be reconciled" with the evaluation of Derivative under the technical factor. Protest at 20-21. According to Derivative, the agency reached "contradictory conclusions" that Derivative's labor mix was both acceptable and inadequate to "meet mission critical support" and that Derivative's approach to staffing was both acceptable and likely to risk "frequent staff turnover and retention." Comments & Supp. Protest at 4-5.

The agency denies that the evaluations were inconsistent. According to DISA, it was reasonable for the evaluators to conclude that Derivative's proposal was acceptable under the technical factor based on Derivative's non-cost proposal, while also identifying risk during the evaluation of Derivative's cost proposal. COS/MOL at 26-35. We agree. We discuss representative examples from the agency's evaluation of the two subfactors under the technical factor below--phase-in and management approach.

#### Phase-In Subfactor

Under the technical factor's phase-in subfactor, the RFP required offerors to submit a phase-in plan of no more than 10 pages. RFP at 1, 5. The plan was to include: a schedule with events and milestones; a description of the offeror's "concept to take over from the incumbent contractor, ensuring continuous support of operations, to include the labor categories and hours required to perform the PWS tasks"; and a risk mitigation plan. *Id.* at 5. In providing its "concept to take over from the incumbent contractor," Derivative's proposal included a table of labor categories and hours. AR, Tab 6c, Derivative Tech. Proposal at 15-16. This table "outlin[ed] the labor categories, total FTEs, and total hours across the 60-day Phase-In[.]" *Id.* When evaluating this subfactor, the TET found that Derivative's proposal "met the requirement of detailing its concept to take over from the incumbent contractor, ensuring continuous support of operations, to include the labor categories and hours required to perform the PWS tasks," and assigned Derivative an adjectival rating of acceptable. AR, Tab 17, SRD at 20.

Separately, with respect to cost, the solicitation mandated that offerors propose contract labor categories and rates based on overall labor hours provided in a basis of estimate (BOE) as well as “plug numbers” for other direct costs and travel. The solicitation required offerors to propose according to this BOE, which “represent[ed] the MOST FTEs [full-time equivalents] that can be supported for this contract during the course of performance.” RFP at 8. The mandatory BOE was provided as a separate tab on the pricing worksheet included with the RFP. AR, Tab 1d, RFP attach. 4, CLIN Pricing Worksheet at BOE Tab. The BOE identified an overarching labor category (e.g., “Administrative” or “IT Support”) and labor hours (e.g., 2880 or 5760) for each PWS section. *Id.* The agency then provided, on a separate tab of the same pricing spreadsheet, a list of personnel qualifications for each of the overarching labor categories, broken down by skill level. *Id.* at Personnel Qualifications Tab. For example, the “Administrative” labor category included the following description: “Level III: 7 years of specialized experience” and “Level II: 3 years of specialized experience.” *Id.* The BOE, however, was at the overarching labor category only, meaning the BOE was not further broken down by skill levels. *Id.* at BOE Tab.

In submitting its cost proposal, Derivative completed the pricing spreadsheet tabs for each period of performance, identifying the PWS task, overarching labor category, labor experience level, and “mapped internal labor category.” See AR, Tab 6n, Derivative Cost Spreadsheet. For example:

PWS Task	Contract Labor Category	Mapped Internal Labor Category	Subcontract Hourly Rate	Fully Burdened Labor Rate
3.4.1	[DELETED]	Business Operations Specialist	[DELETED]	[DELETED]
3.4.1	[DELETED]	Business Operations Specialist	[DELETED]	[DELETED]
3.4.2	[DELETED]	Business Operations Specialist	[DELETED]	[DELETED]

*Id.* at BP (Cost) Tab, Excel lines 7-11 / columns E, F-G, J, U.

When evaluating Derivative’s cost proposal, the agency identified concerns about Derivative’s proposed labor mix--*i.e.*, its proposed labor category and skill levels--and found those concerns were not resolved, even after discussions:

Additionally, the technical team performed a technical cost realism analysis of Derivative’s Cost proposal and determined that their proposed labor mix posed performance risk as the proposed labor mix may be too junior to provide adequate support for PWS Sections 3.9.2 [Product

Engineering], 3.[9].3 [Systems Engineering<sup>6</sup>], and 3.9.6 [Cybersecurity Engineering].

AR, Tab 11, Cost Evaluation at 19; AR, Tab 1a, PWS at 20, 28, 32; see also AR, Tab 17, SRD at 20-21 (concluding under “Evaluation of Cost Proposal for Performance Risk” that “[t]he Government has determined that Derivative’s lower-level skill sets [in these three PWS sections] will cause performance risk that required support will not be provided to meet PM PNT’s mission.”).

The protester contends the evaluation was unreasonable because the agency credited Derivative with an acceptable technical approach based on its narrative description of its strategy for taking over from the incumbent contractor, but documented concerns about Derivative’s detailed work breakdown structure submitted as part of the cost proposal. Comments & Supp. Protest at 11-14. Although our Office has sustained protests where “the identical issue resulted in the award of both a strength and a weakness,” these are not the circumstances here. Cf. *Jacobs Tech. Inc.*, B-410441.15, B-410441.16, Sept. 24, 2018, 2018 CPD ¶ 338 at 7-8 n.3. For example, addressing the solicitation’s requirement under the technical factor, Derivative provided a table listing its anticipated [DELETED] FTEs of staffing for the phase-in only. Tab 6c, Derivative Tech. Proposal at 15-16. The agency evaluated this phase-in staffing, which was not broken down by task, in determining that Derivative’s technical approach was acceptable. Addressing the solicitation’s requirement under the cost factor, Derivative detailed how it would allocate, by PWS task, 107.5 FTEs of staffing in the 6-month base period and each option year of performance. See, e.g., See AR, Tab 6n, Derivative Cost Spreadsheet at BP (Cost) Tab. The agency evaluated this different staffing work breakdown in determining that Derivative’s cost proposal included risk because its proposed labor for certain PWS tasks was too junior in level. AR, Tab 11, Cost Evaluation at 19. In short, Derivative has failed to demonstrate any irreconcilably inconsistent result here; rather, the record shows that DISA reasonably reached different evaluation conclusions based on different portions of Derivative’s proposal addressing different RFP requirements.

#### Management Approach Subfactor

Under the management approach subfactor of the technical factor, the RFP instructed offerors to describe their management approaches “in narrative format” within a five-page limit. RFP at 2, 5. This description was to include five different elements, including the offeror’s “approach to achieving and maintaining 100 [percent] staffing and the management strategy to minimize turn-over.” *Id.* at 5. In its proposal, Derivative explained its staffing “process” at a high level, including relying on “heavy incumbent crossover due to our intent to provide salaries at or above market with industry-leading

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<sup>6</sup> The cost evaluation refers to PWS section 3.3.3, an administrative task, but other evaluation documents, including an evaluation notice sent to Derivative and the SRD, reflect that the reference to section 3.3.3 is a typographical error and that the agency’s concern was about section 3.9.3. See, e.g., AR, Tab 17, SRD at 21.

benefit packages and known incumbent commitment to mission as well as the locale” and its retention strategy of “proven methods” like “comprehensive, competitive compensation.” AR, Tab 6c, Derivative Tech. Proposal at 6-7. Evaluating this part of the proposal, the TET determined that Derivative “met the requirement of providing an approach to achieving and maintaining 100 [percent] staffing and the management strategy to minimize turn-over,” contributing to Derivative’s adjectival rating of acceptable for the management approach subfactor. AR Tab 17, SRD at 19-20.

On the other hand, for cost proposal submissions, the RFP required offerors to provide “a cost build-up identifying all proposed cost elements” for the proposal, including direct labor rates. RFP at 9. The RFP directed offerors to explain the basis for their direct labor rates, instructing those offerors relying on “salary survey data,” to provide “the salary survey source, salary survey labor category title, salary survey labor category description, salary survey geographic location, and salary survey education/ experience (if required).” *Id.*

Derivative, a joint venture, proposed to subcontract the work to its two constituent members, Tesla Laboratories, Inc. and Integral Consulting Services, Inc., and to three other firms. AR, Tab 6d, Derivative Cost Proposal at 3-4. Derivative explained that it generally “instructed its subcontractors to use the [DELETED] percentile direct labor rates” from salary survey data that the agency provided to all offerors as a reference point during discussions. *Id.* at 4. When evaluating Derivative’s cost proposal, the agency confirmed that, for [DELETED] of the [DELETED] proposed labor categories--approximately [DELETED] percent--Derivative proposed direct labor rates at the [DELETED] percentile of the salary survey data. AR, Tab 11, Cost Evaluation at 19. The agency found that these low direct labor rates were not only inconsistent with Derivative’s representation elsewhere in its proposal that it “inten[ded] to provide salaries at or above market,” but also generally risked “a lot of turnover and vacancies.” *Id.*

Again, there was no disparity here between the technical evaluation and the cost evaluation for the agency to reconcile, because the different evaluation findings were based on different requirements. *Booz Allen Hamilton, Inc.*, B-405993, B-405993.2, Jan. 19, 2012, 2012 CPD ¶ 30 at 11 (distinguishing decisions regarding reconciliation of cost and technical evaluations). Accordingly, we find no basis to sustain Derivative’s protest challenging the agency’s evaluation as internally inconsistent.

### Cost Evaluation

The protester also claims the same finding--that Derivative’s proposed direct labor rates and labor mix represented performance risk--renders the agency’s cost realism analysis flawed and unreasonable. Comments & Supp. Protest at 11-14. In the protester’s view, because the agency did not find Derivative’s direct labor rates to be unrealistic, the agency has not (and cannot) document a reasonable basis for identifying any performance risk with the proposed labor rates.



The agency responds by defending its cost realism analysis as reasonable, and arguing that the solicitation permitted the agency to consider the results of cost realism in a separate assessment of performance risk. Supp. MOL at 9-10, 14-16. In short, the agency argues that DISA was permitted to find Derivative's proposed cost to be realistic, but also risky.

When agencies evaluate proposals for the award of cost-reimbursement contracts, an offeror's proposed estimated costs are generally not dispositive because, regardless of the costs proposed, the government is bound to pay the contractor its actual and allowable costs. See FAR 15.305(a)(1), 15.404-1(d); *Palmetto GBA, LLC*, B-298962, B-298962.2, Jan. 16, 2007, 2007 CPD ¶ 25 at 7. Consequently, the agency must perform a cost realism analysis to determine the extent to which an offeror's proposed cost are realistic for the work to be performed. FAR 15.404-1(d)(1); *Advanced Commc'n Sys., Inc.*, B-283650 *et al.*, Dec. 16, 1999, 2000 CPD ¶ 3 at 5. An agency's realism analysis need not achieve scientific certainty; rather, the analysis must provide a reasonable measure of confidence that the costs proposed are realistic based on information reasonably available to the agency at the time of its evaluation. *Smartronix, Inc.; ManTech Advanced Sys. Int'l, Inc.*, B-411970 *et al.*, Nov. 25, 2015, 2015 CPD ¶ 373 at 9. Our review of an agency's cost realism evaluation is limited to determining whether the cost analysis was reasonably based. *Id.*

In making this argument, the protester relies on the following explanation of how the agency made adjustment to offeror's proposed costs:

If the Government found that a vendor proposed direct labor rates that fell below the [DELETED] percentile of Government Economic Research Institute (ERI) data points, then the price evaluation team updated their proposal to reach a most probable cost. In this scenario, the price evaluation team increased their proposed direct labor rate to the [DELETED] percentile Government ERI data point and used the offeror's escalation rate in the option periods to reach a most probable cost. If all proposed direct labor rates fall within the Government ERI data points, the price evaluation team will not adjust the proposal.

AR, Tab 11, Cost Evaluation at 5. According to Derivative, "[b]y concluding that Derivative's direct labor rates were realistic and required no adjustment, the Agency necessarily determined that there is no performance risk associated with Derivative's labor rates." Comments & Supp. Protest at 13. We disagree.

Even when performance risk is not specifically listed in the solicitation as an evaluation factor, an agency may always consider risk intrinsic to the stated evaluation factors. See, e.g., *Ridoc Enter., Inc.*, B-292962.4, July 6, 2004, 2004 CPD ¶ 169 at 7. Here, the RFP not only provided for a cost realism evaluation, but also specifically advised that the "[r]esults of the realism analysis may be used in performance risk assessments and responsibility determinations." RFP at 8.

In this respect, our Office has recognized that an agency's cost realism analysis does not necessarily control an agency's risk assessment. For example, cost realism adjustments do not "erase the performance risk associated with low labor rates," and an agency is permitted to both adjust proposed costs upward for cost realism purposes and conclude that the proposed rates represent risk that the company would not be able to retain a qualified, skilled workforce. *Noblis, Inc.*, B-414055, Feb. 1, 2017, 2017 CPD ¶ 33 at 14-15; see also *Pueblo Env't Sol., Inc.*, B-291487, B- 291487.2, Dec. 16, 2002, 2003 CPD ¶ 14 at 15 ("An agency is not prohibited from making cost realism adjustments and also downgrading a technical proposal, where, as here, the cost adjustments are necessary to reflect the offeror's probable costs of performance based on its proposal and the weaknesses assessed in the offeror's technical evaluation reflect the performance risk stemming from the inadequacy of the technical proposal.").

Moreover, even where there is no cost risk to the agency--and therefore a cost realism adjustment is not required--agencies may still identify performance risk in the proposal. See *Solution One Indus., Inc.*, B-417441 *et al.*, July 9, 2019, 2019 CPD ¶ 252 at 14 (denying protest where proposed labor rates were binding and therefore did not "present a cost risk, [but] they 'may represent a performance risk if they are insufficient to enable the contractor to attract and retain qualified employees'"); *ARCADIS U.S., Inc.*, B-411302, B-411302.2, July 7, 2015, 2015 CPD ¶ 212 at 3 (denying protest where agency considered whether proposed indirect rates, although capped, "nevertheless could result in performance problems").

There is nothing inherently unreasonable about an agency determining that proposed costs are realistic, but not without risk to performance. See *Advanced Turbine Engine Co.*, B-417324, B- 417324.2, May 30, 2019, 2019 CPD ¶ 204 at 28. The fact that there is some risk associated with an aspect of a proposal does not mean that an agency cannot regard the costs of performance, as proposed, as realistic, "inasmuch as risk is simply a reflection of the degree to which what is proposed may or may not happen." *Id.* This allegation is therefore denied.

### Assessment of Strengths

Next, the protester challenges the agency's assessment of strengths--to Credence's proposal, as well as the lack thereof to Derivative's own proposal--under the technical factor's management approach subfactor.<sup>7</sup> The agency defends its assessment of strengths as reasonable and within its broad discretion. See COS/MOL at 35-39.

An agency's judgment that the features identified in a proposal do not significantly exceed the requirements of the solicitation or provide advantages to the government--and thus do not warrant the assessment of unique strengths--is a matter within the

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<sup>7</sup> A "strength" was defined as "an aspect of an offeror's proposal/quotation that has merit or exceeds specified performance or capability requirements in a way that will be advantageous to the Government during contract performance." AR, Tab 1e, RFP attach. 5 at 1.

agency's discretion and one that we will not disturb where the protester has failed to demonstrate that the evaluation was unreasonable. *Protection Strategies, Inc.*, B-416635, Nov. 1, 2018, 2019 CPD ¶ 33 at 8 n.4. Furthermore, an agency is not required to document "determinations of adequacy" or explain in the evaluation record why it did not assess a strength, weakness, or deficiency for a particular item. *Booz Allen Hamilton, Inc.*, B-417418 *et al.*, July 3, 2019, 2019 CPD ¶ 246 at 17.

### Derivative's Proposal

With respect to its own evaluation, Derivative argues that DISA failed to assign its proposal two additional strengths under the management approach subfactor. Comments & Supp. Protest at 7-11. The agency responds that it considered the areas of the protester's proposal that Derivative claims should have been assigned strengths, and found, in each case, the proposed solution met the requirements, but did not exceed them in a manner that merited a strength. See COS/MOL at 35-39.

In the protester's view, the agency should have assigned the firm a strength because "Derivative's Management Approach was ISO [International Standards Organization] 9000-certified, providing additional confidence that Derivative will meet the RFP's requirements over the life of the contract."<sup>8</sup> Protest at 22. The agency responds that it recognized Derivative's certification, but properly did not assign a strength, because ISO 9000 was "a way to demonstrate quality assurance and demonstrates how Derivative approached performance management" and, therefore, "merely met the requirement." COS/MOL at 36-37. Here, Derivative's protest offers general information about "the value of the ISO 9000 standard," including the standard's recognition as an "industry best practices." Comments & Supp. Protest at 8-9. The protester has not, however, presented any evidence that its approach objectively exceeds any specific requirements of the solicitation. As such, we have no basis to object to the agency's decision not to assign a strength. See *Bluehawk, LLC*, B-421201, B-421201.2, Jan. 18, 2023, 2023 CPD ¶ 43 at 8 (denying protest asserting that the agency should have assigned additional strengths because "the protester fails to explain how the agency's evaluation was inconsistent with the stated evaluation criteria").

The protester also contends that Derivative should have received a strength for its "[DELETED] recruitment team." Protest at 22. The agency responds that it reasonably did not assign a strength for the protester's "description of its use of recruiters" and Derivative's "[DELETED]-based' approach," which "provided no additional detail or description as to how its approach exceeded the requirement" to achieving and maintaining 100 percent staffing. COS/MOL at 38-39. While the protester may believe that it is entitled to additional strengths, the agency was aware of the benefits of Derivative's proposal, and the protester has not shown that the agency's assignment of strengths was unreasonable. See *Perspecta Eng'g, Inc.*, B-420501.2, B-420501.3, Dec. 13, 2022, 2022 CPD ¶ 314 at 7. Accordingly, this allegation is similarly denied.

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<sup>8</sup> ISO-9000 standards are a series of internationally recognized quality assurance standards. See *LBM Inc.*, B-286271, Dec. 1, 2000, 2000 CPD ¶ 194 at 2 n.2.

## Credence's Proposal

With respect to the awardee's evaluation, the protester raises a variety of challenges to three strengths that DISA identified in Credence's proposal.<sup>9</sup> Supp. Comments at 1-8. The protester's principle complaint about the strengths is that they relate to the phase-in subfactor but, instead, were assigned under the management approach subfactor. *Id.*

Here, the RFP established a technical evaluation factor with two equally important subfactors: management approach and phase-in. RFP at 5-6. Even if we were to agree that the identified strengths were more properly assigned under the phase-in subfactor than the management approach subfactor, the SSA's summary of the nature of the strengths and the SSA's understanding that Credence offered multiple advantages under the technical evaluation factor would remain unchanged. See AR, Tab 13, PNM at 6. Competitive prejudice is an essential element of a 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 were found. *Tyonek Eng'g & Agile Mfg., LLC*, B-419775 *et al.*, Aug. 2, 2021, 2021 CPD ¶ 263 at 12 n.12; *HP Enter. Servs., LLC*, B-411205, B-411205.2, June 16, 2015, 2015 CPD ¶ 202 at 6. As such, we find no basis to sustain this allegation.

## Best-Value Tradeoff

Finally, the protester challenges the agency's best-value tradeoff analysis arguing, among others, that the underlying evaluation errors tainted the tradeoff, that the SSA failed to conduct a qualitative comparison of proposals, and that the tradeoff gave insufficient weight to cost. Protest at 28-29; Comments & Supp. Protest at 17-20.

Source selection officials have broad discretion in deciding the manner and extent to which they will make use of technical and cost evaluation results; cost/technical tradeoffs may be made and the extent to which one may be sacrificed for the other is governed only by the test of rationality and consistency with the evaluation criteria. *Quantech Servs., Inc.*, B-417347, B-417347.2, May 29, 2019, 2019 CPD ¶ 203 at 10. A protester's disagreement with an agency's judgments about the relative merit of competing proposals does not establish that the judgments were unreasonable. *Id.*; *Battelle Mem'l Inst.*, B-418047.5, B-418047.6, Nov. 18, 2020, 2020 CPD ¶ 369 at 13.

As discussed above, the alleged evaluation errors, on which the protester's best-value tradeoff challenges partially rest, have no merit. Further, the record does not support

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<sup>9</sup> The protester takes issue with the agency's identification of the following strengths in Credence's proposal: (1) securing "commitments from [DELETED]" for "day one of the contract"; (2) setting forth "a retention program" that includes "[DELETED] for incumbents"; and (3) offering to provide [DELETED] in the case of any delay in the provision of government equipment. See AR, Tab 17, SRD at 10-11.

the protester's remaining arguments challenging the cost/technical tradeoff. Rather, the source selection decision includes a detailed review of the positive distinguishing features of Credence's proposal--which included commitment of [DELETED]; an employee retention program; provision of [DELETED]; and staggered transition approach--before providing a comparison of the protester's proposal to Credence's. AR, Tab 13, PNM at 6, 10. In comparing Derivative's proposal to that of Credence, the SSA acknowledged Credence's higher cost, but found that Credence offered a superior approach under the technical factor with the assessed strengths identified as "specific benefits to the Government." *Id.* In addition, the SSA observed that Credence had more relevant, and higher quality, past performance. *Id.* According to the SSA, it was "also important to note that Derivative's cost proposal was determined to represent performance risk," based on its direct labor rates and the conflict between those rates and a stated intention to "provide salaries at or above market" as well as a labor mix unlikely to be able to "provide full mission support." *Id.* at 10.

As part of the tradeoff, the SSA specifically identified the multiple benefits associated with Credence's proposal that warranted payment of its price premium of approximately 33.6 percent over Derivative's proposal. *Id.* Based on our review of the evaluation record, we find no basis to question the agency's selection of Credence's higher-rated, higher-priced proposal. See *Ad Hoc Rsch. Assocs., LLC*, B-420641, B-420641.2, July 5, 2022, 2022 CPD ¶ 154 at 14.

The protest is denied.

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