



DOCUMENT FOR PUBLIC RELEASE

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

Decision

Matter of: McLaughlin Research Corporation

File: B-421528; B-421528.2; B-421528.3

Date: June 16, 2023

Katherine B. Burrows, Esq., Jonathan T. Williams, Esq., Eric A. Valle, Esq., and Annie B. Hudgins, Esq., Piliero Mazza PLLC, for the protester.
Cherie J. Owen, Esq., Louis A. Chiarella, Esq., and Issac D. Schabes, Esq., Crowell & Moring LLP, for PURVIS Systems, Inc., the intervenor.
Audra L. Medeiros, Esq., Department of the Navy, for the agency.
Michael P. Grogan, Esq., and Evan D. Wesser, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest challenging the agency's evaluation of proposals under the personnel subfactor is denied where the evaluation was reasonable, even-handed, and consistent with the terms of the solicitation.
 2. Protest challenging the agency's cost realism evaluation is denied where the agency reasonably considered the awardee's and the protester's proposed use of part-time labor.
 3. Protest challenging the agency's best-value tradeoff decision is denied where the tradeoff was reasonable, sufficiently documented, and consistent with the terms of the solicitation.
-

DECISION

McLaughlin Research Corporation (MRC), a small business of New London, Connecticut, protests the issuance of a task order to PURVIS Systems, Inc., (Purvis), a small business of Middletown, Rhode Island, under request for proposals (RFP) No. N66604-22-R-3012, issued by the Department of the Navy, for full life-cycle engineering services in support of the Navy's torpedo program and related systems. The protester contends the agency's evaluation of proposals under the technical capability and cost/price factors was unreasonable, and the best-value tradeoff determination was flawed.

We deny the protest.

BACKGROUND

On July 13, 2022, the Navy issued the solicitation under the Navy's SeaPort Next-Generation indefinite-delivery, indefinite-quantity (IDIQ) contract, pursuant to the procedures of Federal Acquisition Regulation (FAR) subpart 16.5.¹ Agency Report (AR), Tab 2, RFP at 4, 66. The solicitation contemplated the issuance of a single task order, with cost-plus-fixed-fee and cost-reimbursement contract line items, and a 1-year base period of performance and four, 1-year option periods. *Id.* at 41; 46-47. The Navy sought full life-cycle engineering services in support of the Navy's torpedo program and related systems, which includes, among other things, services related to weapons, vehicles and test equipment, laboratory and test facilities, and the fabrication of prototypes. *Id.* at 8.

The solicitation advised that award would be made on a best-value tradeoff basis, considering three factors: (1) technical capability; (2) past performance; and (3) cost/price.² *Id.* at 146-148. The technical capability factor had two subfactors: (a) hypothetical tasks; and (b) personnel. *Id.* at 146. As relevant to this protest, under the personnel subfactor, the Navy would evaluate a variety of elements relating to how an offeror would staff and manage the contract, which included an evaluation of an offeror's proposed key personnel. *Id.* at 146-147. Cost/price would be evaluated for realism and reasonableness. *Id.* at 148.

The solicitation explained the Navy would assign one of five technical/risk ratings to each technical subfactor, and an overall rating for an offeror's overall technical capability.³ *Id.* at 149. The RFP provided that the technical capability subfactors were listed in order of importance, the technical capability factor was more important than past performance, and the non-cost/price factors, when combined, were significantly more important than cost/price. *Id.* at 149. The solicitation further stated that "Cost/Price will increase in importance when it is so significantly high as to diminish the value of technical superiority to the Government." *Id.*

¹ The RFP was amended multiple times. Unless stated otherwise, all citations are to the conformed final version of the solicitation, using the Adobe PDF document page numbers.

² The solicitation also included a number of pass/fail evaluation criteria. See RFP at 144-145. Both MRC and Purvis were rated as acceptable under these factors, and MRC does not challenge the agency's evaluation with respect to these factors.

³ The five technical/risk ratings were outstanding, good, acceptable, marginal, and unacceptable. RFP at 149-150.

The agency received proposals from multiple offerors by the submission deadline. Contracting Officer's Statement (COS) at 1-2. Relevant here, the Navy evaluated the proposals of MRC and Purvis as follows:

	MRC	Purvis
Technical Capability (Overall)	Outstanding	Acceptable
Hypothetical Tasks	Outstanding	Acceptable
Personnel	Good	Good
Past Performance⁴	Substantial Confidence	Satisfactory Confidence
Total Evaluated Cost/Price⁵	\$53,677,595	\$48,808,684

AR, Tab 8, Source Selection Decision Document (SSDD) at 4.

The source selection authority (SSA) concluded that Purvis's proposal represented the best value to the Navy. *Id.* at 8. In so finding, the SSA explained that while MRC's proposal was superior under both the technical capability and past performance factors, it also offered the highest cost/price. *Id.* at 7. The SSA stated that the value of MRC's strengths did not offset the additional anticipated costs, and that "[w]hile the work is detail oriented, the complexity is not so high as to warrant the payment premium associated with MRC's technically superior proposal[.]" *Id.* The SSA concluded by noting that "[i]n this case, MRC's [evaluated cost/price] is so significantly high, it diminishes the value of its technically superior proposal." *Id.* Following a debriefing, this protest followed.⁶

DISCUSSION

MRC marshals several challenges to the agency's conduct of the procurement. First, the protester contends the agency's evaluation under the personnel subfactor was unreasonable and inconsistent with the solicitation, where the Navy only assigned MRC one strength and a rating of good for its approach. Second, MRC argues the Navy undertook a flawed cost realism analysis, where the agency failed to assign risk based

⁴ The Navy would assign one of five past performance confidence ratings: substantial confidence; satisfactory confidence; neutral confidence; limited confidence; and no confidence. RFP at 152.

⁵ MRC's proposed costs/prices were upwardly adjusted \$385,348 under the agency's cost realism analysis; no adjustments were made to Purvis's proposed costs/prices. See COS at 6.

⁶ Because the estimated value of the issued task order is over \$25 million, this procurement is within our jurisdiction to hear protests related to the issuance of orders under multiple-award IDIQ contracts awarded under the authority granted in title 10 of the United States Code. 10 U.S.C. § 3406(f).

on Purvis's approach to staffing the contract. Third, the protester challenges the best-value tradeoff, contending the SSA did not meaningfully compare proposals and failed to abide by the solicitation's weighting of the evaluation factors. For the reasons that follow, we find no basis to sustain the protest.⁷

Evaluation under Personnel Subfactor

MRC challenges the agency's evaluation of its proposal under the personnel subfactor. Protest at 12-15; Comments and Second Supp. Protest at 8-18; Supp. Comments at 7-10. In this regard, the protester argues that despite the agency finding multiple aspects of MRC's proposed approach beneficial with respect to MRC's key personnel, the Navy only assigned a single strength under the subfactor, and unreasonably failed to assign a rating higher than good. Had the Navy reasonably evaluated MRC's proposal in a manner consistent with the solicitation, the protester argues the agency would have assigned two additional strengths and a rating of outstanding. The Navy contends its evaluation was reasonable and consistent with the terms of the RFP. Memorandum of Law (MOL) at 3-5; Supp. MOL at 3-4.

As noted above, this 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. *Engility Corp.*, B-413120.3 *et al.*, Feb. 14, 2017, 2017 CPD ¶ 70 at 15; *URS Fed. Servs., Inc.*, B-413333, Oct. 11, 2016, 2016 CPD ¶ 286 at 6. Our Office will review evaluation challenges in task order procurements to ensure that the competition was conducted in accordance with the solicitation and applicable procurement laws and regulations. *Engility Corp.*, *supra* at 15-16. 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. Further, a protester's disagreement with the agency's judgment, without more, is not sufficient to establish that an agency acted unreasonably. *Id.*

The solicitation instructed offerors to address multiple elements under the personnel subfactor, to include offered key personnel.⁸ See RFP at 125-138. Concerning key personnel, the Navy would "consider the qualifications as stated in the resume submitted for each Key Person[.]" "evaluate the merits of Key Personnel as indicated in

⁷ MRC raises other collateral allegations. Although our decision does not specifically address them all, we have considered each argument and find that none provides a basis on which to sustain the protest.

⁸ The evaluated elements under this subfactor were: a proposed senior technical representative; key personnel; offered labor mix; mix of personnel; contractor-to-government site ratio; personnel outside the commuting area; and work in excess of 40 hours. RFP at 146-147.

the resume against the [Statement of Work/Performance Work Statement] tasks to which the individual(s) is/are assigned[,]” and would “also evaluate the collective qualifications and expertise of the proposed Key Personnel against the Key Personnel requirements identified” in the solicitation. *Id.* at 146-147.

The Navy identified one strength in MRC’s proposed solution concerning the protester’s offered key personnel. AR, Tab 7, Source Selection Evaluation Board (SSEB) Report at 21-22. Specifically, the Navy found that MRC’s proposed [DELETED] key personnel were “highly qualified and experienced” and “provide a benefit to the Government because their experience can increase productivity, enhance communication, and reduce the risk of unsuccessful performance or rework.” *Id.* at 22. The Navy also concluded that [DELETED] proposed key persons held certifications above the Navy’s requirements that would benefit the Navy, and that MRC’s key personnel met all of the solicitation’s identified preferred qualifications, which would “increase the likelihood of successful performance” of the contract. *Id.* As a result of its evaluation, the SSEB assigned a rating of good under the personnel subfactor. *Id.* at 21. The SSA similarly identified these same beneficial aspects of MRC’s approach, concluding that MRC’s approach under the personnel subfactor was “superior” to Purvis’s approach. AR, Tab 9, Source Selection Recommendation Document (SSRD) at 8.

MRC disputes the Navy’s evaluation conclusions, arguing that because the Navy found three unique aspects of its proposed personnel approach (with respect to key personnel) to be beneficial, the agency was required, under the terms of the solicitation, to assign three independent strengths and, in turn, a subfactor rating of outstanding. That is, the protester argues that by unreasonably combining three unique strengths into one, the Navy ignored the solicitation’s instructions and unreasonably downgraded the value of its approach. We disagree.

First, we find reasonable the agency’s assessment of a single strength for MRC’s approach under the personnel subfactor. The protester does not challenge the Navy’s evaluation under the other evaluation criteria of the subfactor, but instead, focuses exclusively on the agency’s assessment of key personnel.⁹ For key personnel, the RFP explained, in essence, the agency would evaluate the merits of the proposed key personnel against the statement of work (SOW) and performance work statement (PWS) tasks, and would also evaluate the “collective qualifications and expertise” of the proposed key personnel. RFP 146. In our view, the positive attributes of MRC’s key personnel identified by the SSEB reasonably relate to the “collective qualifications and expertise” of those personnel. Indeed, the SSEB found positives in the key personnel’s “diverse experience, knowledge, credentials, and qualifications[,]” their “certified and experienced” personnel, and their satisfying the RFP’s “preferred qualifications[.]” AR, Tab 7, SSEB Report at 22. Given that these benefits all relate to the qualifications and

⁹ The SSEB chair explains that outside of key personnel, MRC’s proposal did not warrant an additional strength. Second Supp. AR, attach C, SSEB Chair Declaration at 3.

experience of MRC's offered key personnel, collectively, we find the agency's evaluation conclusions, and the assignment of a single strength on the basis of these collective qualifications and experience, to be reasonable.¹⁰ 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 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.

Even assuming, for the sake of argument, that the Navy erred by failing to assign two additional strengths, and an overall subfactor rating of excellent, we cannot conclude that the Navy's evaluation was unreasonable. As we have explained, evaluation ratings are merely a guide to, and not a substitute for, intelligent decision making in the procurement process. *Centerra Grp., LLC*, B-414800, B-414800.2, Sept. 21, 2017, 2017 CPD ¶ 307 at 4. Rather, the essence of an agency's evaluation is reflected in the evaluation record itself, not the adjectival ratings. The relevant question is whether the record shows that the agency fully considered the underlying bases for ratings. *Id.*

Here, the underlying record confirms the agency was aware of the benefits of MRC's key personnel. In this regard, the SSEB (in both its evaluation report and recommendation to the SSA) specifically identify the three particular aspects of MRC's

¹⁰ The protester also argues that the solicitation was latently ambiguous with respect to how the agency would evaluate key personnel, specifically as it relates to the assignment of strengths for collective qualifications. First Supp. Protest at 3-5; Comments and Second Supp. Protest at 14-16. We need not address the merits of this argument because it is untimely presented. A protest allegation that the solicitation contained a latent ambiguity must be filed within 10 days after the protester knew or should have known of the agency's interpretation of the solicitation provision at issue. 4 C.F.R. § 21.2(a)(2).

Here, MRC first learned of the Navy's interpretation of the solicitation--concerning how the Navy would evaluate key personnel--in an enhanced debriefing concluded on March 6. See AR, Tab 4, Enhanced Debriefing Question and Answer at 2-3 (in response to MRC asking why the agency only assigned one strength based on three positive findings under key personnel, the Navy explained, "[t]he Government evaluated the collective qualifications and expertise of the proposed Key Personnel against the Key Personnel requirements identified in Section L consistently for each offeror. MRC's question implies the Government should have used a different evaluation methodology, but any methodology used must be applied consistently across each offeror's proposal."). Accordingly, because MRC failed to raise this allegation until April 10, more than a month after it first learned of the agency's interpretation of how key personnel would be evaluated, this protest ground is untimely and is dismissed. 4 C.F.R. § 21.2(a)(2).

key personnel at issue here. AR, Tab 7, SSEB Report at 22; AR, Tab 9, SSRD at 7-8. The SSEB explains that although Purvis and MRC both received a single strength for their respective approaches under the personnel subfactor, MRC's proposal was technically superior. AR, Tab 9, SSRD at 8. Indeed, the SSA came to a similar conclusion, noting that "MRC's proposed group of Key Personnel is superior to the proposed group of Key Personnel proposed by [Purvis]." AR, Tab 8, SSDD at 6. Accordingly, in light of the underlying record, which clearly acknowledges the benefits and superiority of MRC's key personnel on these three specific points, we cannot conclude the agency's failure to assign two additional strengths, or a subfactor rating of outstanding, was improper.¹¹ See *Right Direction Tech. Sols., LLC*, B-414366.2, June 13, 2017, 2017 CPD ¶ 202 at 5.

Cost Realism

Next, MRC argues the Navy's cost realism evaluation was unreasonable and inconsistent with the solicitation's instructions, where the agency failed to consider the effect of Purvis's use of part-time-on-call (PTOC) labor to partially perform the contract. In this regard, MRC contends Purvis's use of PTOC labor manifested a misunderstanding of the contract requirements and injected an unacceptable amount of risk to the successful performance of the contract. Had the Navy performed a reasonable analysis of Purvis's proposed costs, the protester argues the Navy would have upwardly adjusted Purvis's costs by \$1.3 million and would have negatively evaluated the firm's technical capability proposal. Comments and Second Supp. Protest at 2-7; Supp. Comments at 2-7. The Navy responds that nothing in the solicitation prohibited the use of part-time labor, the contemporaneous record demonstrates that the Navy was aware of Purvis's proposed use of PTOC, and the protester also relied on part-time labor in its proposed approach.

When an agency evaluates a proposal for the award of a cost-reimbursement contract or task order, the offeror's proposed costs are not dispositive because, regardless of the costs proposed, the government is bound to pay the contractor its actual and allowable costs. FAR 15.404-1(d), 16.505(b)(3); *AECOM Mgmt. Servs., Inc.*, B-418467 *et al.*, May 15, 2020, 2020 CPD ¶ 172 at 4. Consequently, the agency must perform a cost realism analysis to determine the extent to which the offeror's proposed costs are realistic for the work to be performed. FAR 15.404-1(d)(1); see *Noridian Admin. Servs., LLC*, B-401068.13, Jan. 16, 2013, 2013 CPD ¶ 52 at 4-5. An agency is not required to

¹¹ The protester also argues the Navy evaluated proposals unequally, where the agency "unreasonably equated" the single, individual strengths assigned to Purvis and MRC. Comments and Second Supp. Protest at 16. However, the underlying record does not support the protester's allegation. Indeed, while the SSEB and the SSA identify that both offerors received a single strength under subfactor 2, concerning key personnel, the agency also acknowledges that MRC's proposal was "superior" to Purvis's proposal under this factor. See AR, Tab 7, SSEB Report at 22; AR, Tab 8, SSDD at 6; AR, Tab 9, SSRD at 8. We find no basis to conclude the agency's evaluation, in this regard, was unequal.

conduct an in-depth cost analysis, or to verify each and every item in assessing cost realism; rather, the evaluation requires the exercise of informed judgment by the contracting agency. See *Cascade Gen., Inc.*, B-283872, Jan. 18, 2000, 2000 CPD ¶ 14 at 8; see FAR 15.404-1(c). Our review of an agency's cost realism evaluation is limited to determining whether the cost analysis is reasonable; a protester's disagreement with the agency's judgment, without more, does not provide a basis to sustain the protest. *Imagine One Tech. & Mgmt., Ltd.*, B-412860.4, B-412860.5, Dec. 9, 2016, 2016 CPD ¶ 360 at 14-16.

As part of proposal submission, each offeror was required to submit a labor matrix that identified the personnel who would be performing the SOW's tasks and the corresponding labor hours. The Navy supplied an estimated labor mix with estimated hours for these tasks, which identified 41 labor categories of employees who would perform an estimated 663,451 labor hours. RFP at 128-136. In addition, offerors were to provide "details as to the basis of labor rates proposed (*i.e.*, actual rates, wage rate determinations, bid level rates) labor escalation factors applied, and burden factors." *Id.* at 140. The solicitation explained the Navy would "evaluate the offeror's proposed costs by performing a cost realism analysis in accordance with FAR 15.404-1(d)." RFP at 148.

Purvis's labor mix and hours were consistent with the agency's provided estimate.¹² At issue in this protest is Purvis's use of PTOC labor. As Purvis explained in its cost narrative, "[a] distinct aspect of the level of effort is that PURVIS proposes the use of [PTOC] personnel to support short term, specialized, surge, or irregularly scheduled requirements." AR, Tab 3, vol. A2, Purvis's Cost Narrative at 7. Purvis explained that PTOC labor were identified by separate overhead codes in its cost matrix, and that these employees would work no more than [DELETED] hours per year. *Id.* Purvis stated that it had successfully used PTOC personnel on multiple Navy contracts. *Id.* The agency took no exception to Purvis's proposed labor mix or rates, and determined that Purvis's costs were realistic.

MRC takes issue with how the agency evaluated Purvis's cost proposal, specifically, that the Navy failed to recognize the effects of using PTOC personnel to staff the contract. Comments and Second Supp. Protest at 2-7; Supp. Comments at 2-7. In this regard, the protester contends that due to the use of PTOC labor, Purvis's costs were unrealistically low, the firm failed to comprehend the Navy's requirements, and its approach created a substantial risk of unsuccessful performance. MRC notes that while Purvis's proposal stated the firm would use PTOC personnel "to support short term, specialized, surge, or irregularly scheduled requirements[.]" the awardee would, in fact, use PTOC personnel to perform approximately [DELETED] percent of the required labor hours. AR, Tab 3, vol. A2, Purvis's Cost Narrative at 7. Moreover, the protester argues the SOW contemplates tasks a contractor must perform regularly, which PTOC labor

¹² The agency noted that Purvis deviated from the estimate by [DELETED] percent, but took no exception based on the firm's provided rationale. AR, Tab 5, Purvis Cost Evaluation at 8. MRC does not challenge this aspect of the Navy's evaluation.

might not be able to perform. Had the Navy undertaken a proper cost realism analysis, MRC reasons, the agency would have found risk associated with Purvis's proposal and would have upwardly adjusted Purvis's costs.

The protester's arguments, however, offer no basis to sustain the protest. First, contrary to the protester's assertion, the underlying record does not support the conclusion that the Navy failed to identify or consider that Purvis would use PTOC employees. As a preliminary matter, nothing in the solicitation required or otherwise mandated the use of full-time personnel to perform the PWS tasks.¹³ Here, Purvis's use of part-time employees was identified by the Navy's cost evaluators--where the Navy recognized that Purvis was applying a specific overhead rate for PTOC employees--and they took no exception to that approach. AR, Tab 5, Purvis Cost Evaluation at 13; see *also* Tab 3, vol. A1, Purvis Cost Proposal (identifying specific overhead codes for PTOC employees). That the agency did understand Purvis to be using PTOC employees to partially staff this requirement is also confirmed by the Navy's cost analyst. Second Supp. AR, attach A., Cost Analyst Declaration at 2-3 ("I reviewed the labor categories and hours that PURVIS proposed. I determined some labor was proposed on a part time basis. I identified that PURVIS indicated some of its labor would cover potential surge efforts and be part-time-on-call. I took no exception to use of proposed part time

¹³ Indeed, as will be discussed, below, MRC also relied on part-time personnel to perform the contract. See Second Supp. AR, attach D.

labor.”).¹⁴ Given the record presented, we cannot conclude the Navy failed to recognize that Purvis would utilize PTOC labor.¹⁵

Second, with an understanding that the record demonstrates the Navy was aware of Purvis’s use of PTOC personnel, the gravamen of MRC’s challenge is that it was unreasonable for Navy to conclude Purvis’s use of PTOC for approximately [DELETED] percent of its offered staffing was realistic. However, the protester offers little in support of this conclusion. For example, MRC points to a few of the SOW tasks, noting “[n]one of those SOW tasks contemplate ‘short term, specialized, surge, or irregularly scheduled’ work.” Comments and Second Supp. Protest at 3. However, the protester fails to explain why using some PTOC labor, in addition to full-time labor, could not just as effectively complete the tasks. This is especially true where, as here, Purvis did not propose to use only PTOC labor in any labor category, nor were any proposed key personnel offered in a PTOC status. See AR, Tab 3, vol. A1, Purvis Cost Proposal.

¹⁴ The protester argues that our Office should give little, if any, weight to the statements made in the cost analyst’s declaration, as they constitute *post-hoc* rationalizations, and are not credible or consistent with the contemporaneous record. Comments on the Second Supp. AR at 3-10. As our Office has explained, in reviewing an agency’s evaluation, we do not limit our review to contemporaneous evidence, but consider all of the information provided, including the parties’ arguments and explanations. *Science Applications Int’l Corp., Inc.*, B-408270, B-408270.2, Aug. 5, 2013, 2013 CPD ¶ 189 at 8 n.12. Although we generally give little weight to reevaluations and judgments prepared in the heat of the adversarial process (see *Boeing Sikorsky Aircraft Support*, B-277263.2, B-277263.3, Sept. 29, 1997, 97-2 CPD ¶ 91 at 15), post-protest explanations that provide a detailed rationale for contemporaneous conclusions and simply fill in previously unrecorded details will generally be considered in our review of the rationality of selection decisions, so long as those explanations are credible and consistent with the contemporaneous record. *Remington Arms Co., Inc.*, B-297374, B-297374.2, Jan. 12, 2006, 2006 CPD ¶ 32 at 12.

Here, the cost evaluator’s explanations, to this point, are credible and consistent with the contemporaneous record. As noted above, the contemporaneous record suggests that the Navy did consider that Purvis would use PTOC labor, given Purvis’s clear proposal language and the agency’s recognition of PTOC-specific overhead rates. Accordingly, where the cost analyst’s declaration is consistent with the Navy’s contemporaneous evaluation and is otherwise credible, we find no basis not to consider this information. See *e.g.*, *GloTech, Inc.*, B-416967, Jan. 15, 2019, 2019 CPD ¶ 59 at 5 n.10.

¹⁵ To the extent the protester also argues Purvis misrepresented how it would utilize PTOC labor to partially staff the contract, we find no merit to this allegation. Compare AR, Tab 3, vol. A2, Purvis’s Cost Narrative at 7 (explaining how it would use PTOC personnel) with AR, Tab 3, vol. A1, Purvis Cost Proposal (specifically identifying which labor categories, and how many labor hours, would rely upon PTOC personnel).

Third, even assuming, for the sake of argument, the agency erred in not upwardly adjusting Purvis's costs or assigning risk to the firm's proposal for its use of PTOC employees, we cannot conclude that MRC would be able to demonstrate prejudice, as it, similarly, proposed using part-time personnel. 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 competitive prejudice, and our Office will not sustain the protest, even if deficiencies in the procurement are found. *Environmental Chem. Corp.*, B-416166.3 *et al.*, June 12, 2019, 2019 CPD ¶ 217 at 14.

The record demonstrates that MRC, like Purvis also relied upon part-time employees to complete the contract requirements. Indeed, at least [DELETED] of MRC's proposed positions rely on part-time labor, [DELETED] of which are named key personnel. Second Supp. AR, attach. D, MRC Cost Matrix. To the extent MRC now complains that the Navy's cost evaluation should have accounted for the risk of utilizing part-time personnel, given MRC's reliance on the same, we cannot conclude MRC would be prejudiced by the Navy's actions.
Best-Value Tradeoff

MRC also challenges the Navy's best-value tradeoff decision in several respects.¹⁶ The protester contends the Navy failed to meaningfully compare the benefits of MRC's and Purvis's respective proposals and failed to document that analysis. Specifically, the protester avers that the underlying evaluation record fails to explain why Purvis's proposal represented a better value to the agency, and why MRC's higher-rated technical proposal was not worth the associated price premium. Comments and Second Supp. Protest at 19-22. Moreover, the protester alleges the Navy failed to comply with the solicitation by ignoring the relative importance of the tradeoff factors, where it placed an improper importance on price. *Id.* at 23-27.

Where, as here, a solicitation provides for issuance of a task order on a best-value tradeoff basis, it is the function of the SSA to perform a price/technical tradeoff. *Alliant Enter. JV, LLC*, B-410352.5, B-410352.6, July 1, 2015, 2015 CPD ¶ 209 at 13. An agency has broad discretion in making a tradeoff between price and nonprice factors, and the extent to which one may be sacrificed for the other is governed only by the tests of rationality and consistency with the solicitation's stated evaluation criteria. *Id.* at 14. Where a solicitation provides for a tradeoff between the price and non-price factors, even where price is the least important evaluation factor, an agency properly may select a lower-priced, lower-rated proposal if the agency reasonably concludes that the price premium involved in selecting a higher-rated, higher-priced proposal is not justified in light of the acceptable level of technical competence available at a lower price. *ManTech Advanced Sys. Int'l, Inc.*, B-415497, Jan. 18, 2018, 2018 CPD ¶ 60 at 5. A protester's disagreement with the agency's determination, without more, does not

¹⁶ Because we find reasonable the agency's underlying technical and cost evaluation of proposals, MRC's derivative challenge to the best-value determination as being predicated on a flawed evaluation does not afford a basis to sustain the protest.

establish that the evaluation or source selection was unreasonable. *Engility Corp.*, *supra* at 15-16.

The record supports the reasonableness of the Navy's tradeoff determinations. First, contrary to MRC's allegation, the underlying evaluation demonstrates the SSA did meaningfully compare proposals in making the tradeoff decision. The SSA examined and concurred with the SSEB's underlying evaluation of proposals and recommendations, but also performed an independent analysis in making the award decision. AR, Tab 8, SSDD at 5. Under each factor, the SSA compared the strengths and weaknesses of the proposed approaches, and concluded that MRC's was superior to Purvis's. *Id.* at 6-7 (noting that MRC's proposal under both technical subfactors, and the past performance factor, was superior to Purvis's proposal). When factoring in cost/price, the SSA then meaningfully compared MRC's superior technical proposal, and its associated price premium, with Purvis's inferior technical proposal with its associated lower cost. *Id.* at 7. The SSA, based on the requirements over the life of the contract, reasonably determined that the value of MRC's proposal strengths "do not offset the additional anticipated costs" associated with its proposal. *Id.* Accordingly, the protester's allegation that the agency failed to meaningfully tradeoff proposals finds no support in the record.

We find similarly unpersuasive MRC's argument that the tradeoff decision was insufficiently documented. See Comments and Second Supp. Protest at 23. There is no need for extensive documentation of every consideration factored into a tradeoff decision. FAR 16.505(b)(7); *Lockheed Martin Integrated Sys., Inc.*, B-408134.3, B-408134.5, July 3, 2013, 2013 CPD ¶ 169 at 10. Rather, the documentation need only be sufficient to establish that the agency was aware of the relative merits and costs of the competing quotations and that the source selection was reasonably based. *Id.* While the record does not demonstrate that the Navy conducted a point-by-point comparison of each benefit and risk of the proposals, such an examination is not required. See *Worldwide Info. Network Sys., Inc.*, B-408548, Nov. 1, 2013, 2013 CPD ¶ 254 at 6 (there is no need for extensive documentation of every consideration factored into a tradeoff decision).

Here, the SSA detailed the benefits of MRC's technical approach, but based on the Navy's requirements, reasonably determined that the cost premium associated with those benefits was too high. AR, Tab 8, SSDD at 7 (explaining that "[w]hen examining the value of MRC's strengths, I determined they do not offset the additional anticipated costs" over the life of the contract, because "[w]hile the work is detail oriented, the complexity is not so high as to warrant the payment premium associated with MRC's technically superior proposal[.]"). Based on the record before us, we find the SSA's conclusions to be reasonable and adequately documented.

In a similar vein, we cannot conclude the SSA's tradeoff analysis deviated from the solicitation's weighting of the tradeoff factors. The solicitation explained how the tradeoff factors were weighted:

Technical Capability is more important than Past Performance. All evaluation factors other than Cost/Price, when combined, are significantly more important than Cost/Price. As competing proposals approach Technical Capability/Past Performance equality, Cost/Price will increase in importance. In addition, Cost/Price will increase in importance when it is so significantly high as to diminish the value of technical superiority to the Government.

RFP at 149. The SSA, at the start of her best-value determination decision, acknowledged the solicitation's criteria. See AR, Tab 8, SSDD at 3. Moreover, within the actual tradeoff analysis itself, the SSA consistently relies on the RFP's criteria concerning the weight of the tradeoff factors when comparing offerors. *Id.* at 7 (comparing offerors by examining their proposals' underlying evaluations as compared to RFP's criteria). In the end, the SSA determined that Purvis's proposal, based on the relative importance of the tradeoff factors and the merit of proposals, represented the best value to the Navy. *Id.* at 8 ("I considered the relative value and impact of the above evaluation factors in the context of their relative importance in accordance with the solicitation.").

At bottom, MRC's argument is that given the relative importance of the tradeoff factors--where the non-cost/price factors, combined, were "significantly more important" than cost/price--the agency could not have reasonably selected Purvis's proposal for award. However, this argument ignores the solicitation's instruction that "Cost/Price will increase in importance when it is so significantly high as to diminish the value of technical superiority to the Government." RFP at 149. Here, the SSA specifically provides that this solicitation instruction was why MRC was not deemed to be the best value to the Navy. Indeed, the SSA believed that based on the lack of complexity of the Navy's requirements, paying a premium for MRC's technically superior proposal was not in the agency's best interest. AR, Tab 8, SSDD at 7. Or, as stated by the SSA, "In this case, MRC's [total evaluated cost/price] is so significantly high, it diminishes the value of its technically superior proposal." *Id.* We cannot agree that the SSA's conclusion, in this regard, was unreasonable or otherwise inconsistent with the solicitation's instructions. The protester's disagreement with the SSA's judgment, without more, does not provide a basis to sustain the protest. *Engility Corp., supra* at 15-16.

The protest is denied.

Edda Emmanuelli Perez
General Counsel