



**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:** CACI, Inc- Federal

**File:** B-421626.6; B-421626.9

**Date:** December 13, 2023

---

Jamie F. Tabb, Esq., Tyler E. Robinson, Esq., Elizabeth Krabill McIntyre, Esq., and John M. Satira, Esq., Vinson & Elkins LLP, for the protester.  
Andrew P. Hallowell, Esq., Pargament & Hallowell, PLLC, for Sayres and Associates, LLC, the intervenor.  
Jeanne Ockerman, Esq., Rhonda Russ, Esq., Nichole Biagini, Esq., and Nicole Trask, Esq., Department of the Navy, for the agency.  
April Y. Shields, Esq., and Christina Sklarew, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

---

## DIGEST

1. Protest challenging the agency's evaluation of the awardee's proposal under the technical and management factor and the cost realism factor 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 the agency's best-value tradeoff decision to select a lower technically rated proposal at a lower cost/price is denied where the record shows that the agency's decision was reasonable and consistent with the terms of the solicitation.
- 

## DECISION

CACI, Inc.-Federal, of Chantilly, Virginia, protests the issuance of a task order to Sayres and Associates, LLC, of Washington, D.C., under task order request for proposals (RFP) No. N0016422R3005, issued by the Department of the Navy, Naval Sea Systems Command, for professional support services. The protester challenges various aspects of the agency's evaluation of the awardee's proposal and the agency's award decision.

We deny the protest.

## BACKGROUND

The agency issued the solicitation on January 21, 2022, to holders of the Navy's SeaPort Next-Generation multiple-award, indefinite-delivery, indefinite-quantity (IDIQ) contracts. The procurement was conducted pursuant to Federal Acquisition Regulation (FAR) subpart 16.5 procedures. The RFP sought a contractor to support the agency's Program Executive Office for Ships and, specifically, its offices known as PMS 325, Auxiliary and Special Mission Shipbuilding Program Office; and PMS 300, U.S. Navy and Foreign Military Sales Boats and Craft Program Office. Agency Report (AR), Tab 1, RFP at 9.<sup>1</sup> The RFP explained that these offices are involved in various acquisition programs and that their mission is to "deliver integrated ship, boat, and craft products and services to U.S. and international maritime forces around the world." *Id.* The contractor would be responsible for various professional support services in the areas of: program management; engineering support; logistics management and integrated support; on-site support for detail design, construction, and post-delivery; and design site support. *Id.* The RFP noted that CACI is the incumbent contractor performing these requirements. *Id.* at 2.

The RFP contemplated the issuance of a single cost-plus-fixed-fee task order to be performed over a base year period and four option years. *Id.* at 2, 116. The RFP stated that award would be made on a best-value tradeoff basis based on three factors, listed in descending order of importance: technical and management, past performance, and total evaluated price (TEP). *Id.* at 117-119. While the RFP provided that the non-cost/price factors, when combined, were significantly more important than cost/price, the RFP also provided that the importance of cost/price would "increase with the degree of equality of the proposals in relation to the non-cost factors on which selection is to be based, or when the evaluated price delta between Offerors is so significantly high as to diminish the value of the superiority of the non-cost factors." *Id.* at 118-119.

The technical and management factor included three subfactors, listed in descending order of importance: technical capabilities and approach, management approach, and personnel requirements. *Id.* at 118, 122-123. The RFP also provided that the first two subfactors, when combined, were significantly more important than the third subfactor. *Id.* at 118. Proposals would be assigned an adjectival rating of outstanding, good, acceptable, marginal, or unacceptable. *Id.* at 119.

For cost/price, the RFP provided that the agency would calculate a TEP and conduct a cost realism analysis. Per the RFP, the agency "intend[ed] to use cost estimates supported by relevant cost realism substantiating data, including, but not limited to: 1) historical substantiating data (e.g., recently-paid payroll screenshots and prior-years' actual indirect rates); 2) Forward Rate Pricing Agreements (FPRAs), Forward Rate

---

<sup>1</sup> The agency amended the RFP once. References to the RFP are to the final conformed solicitation provided by the agency. All citations are to the Adobe PDF page numbers of the documents referenced in this decision.

Pricing Recommendations (FRRs); 3) and contractual rate caps.” *Id.* at 124. Further with respect to the cost realism analysis, the RFP provided the following:

The Government will perform an analysis of the cost realism and completeness of the cost data and the traceability of the proposed cost to the Offeror’s approach under the non-cost factors, including the proposed amount and allocation of labor-hours and labor mix. Pertinent cost information, including but not limited to DCAA [Defense Contract Audit Agency] and/or DCMA [Defense Contract Management Agency] recommended rates for such costs as direct labor, overhead, G&A [general and administrative], etc., as necessary and appropriate, will be used to arrive at the Government’s determination of the probable cost to be incurred in the performance of this contract. If proposed costs are considered to be unrealistic, including unrealistic labor and/or indirect rates, the Offeror’s proposed costs will be adjusted upward where appropriate.

*Id.* In this regard, while the RFP noted that the agency “reserves the right to consider reasonable and realistic substantiating data from any other sources,” the RFP also warned that “the Government is under no obligation to identify and use any cost realism data other than that provided by the Offeror, including any it already possesses.” *Id.* at 125.

On or before the February 25, 2022, closing date for receipt of proposals, the agency received proposals from five offerors, including CACI and Sayres. The agency selected Sayres for award, and CACI filed its first round of protests with our Office, challenging various aspects of the agency’s evaluation and award decision. The agency proposed to take corrective action, to include further evaluating the proposals and making a new award decision, and we dismissed the protest as academic. *CACI, Inc.-Federal*, B-421626.2, B-421626.4, May 8, 2023 (unpublished decision).

The agency conducted a reevaluation and again selected Sayres for award. The agency’s decision included the following evaluation results:

	<b>CACI</b>	<b>Sayres</b>
<b>Technical and Management</b>	Outstanding	Good
Technical Capabilities and Approach	Outstanding	Outstanding
Management Approach	Outstanding	Acceptable
Personnel Requirements	Outstanding	Acceptable
<b>Past Performance</b>	Substantial Confidence	Satisfactory Confidence
<b>Total Evaluated Price</b>	\$301,953,104	\$282,938,493

AR, Tab 6, Source Selection Memorandum (SSM) at 9.

The cost evaluation team (CET) evaluated the proposals and conducted a cost realism analysis, which resulted in an adjustment of approximately \$[REDACTED] upward in costs for CACI from a total proposed price of \$[REDACTED] to a TEP of \$301,953,104; and an adjustment of approximately \$[REDACTED] upward in costs for Sayres from a total proposed price of \$[REDACTED] to a TEP of \$282,938,493. AR, Tab 5, CET Report at 22, 95.

The source selection authority (SSA) considered the evaluation results and concluded that the proposal from Sayres represented the best overall value to the agency. In comparing the proposals from CACI and Sayres, the SSA specifically noted that CACI offered “the highest technical capability of all offerors at the highest TEP,” and detailed the various features of the proposals, including identified strengths and weaknesses. AR, Tab 6, SSM at 23-26. The SSA also considered CACI’s higher past performance rating. *Id.* The SSA concluded as follows:

Based on all of the above, I have determined that Sayres is the overall best value to the Government for this Solicitation. While CACI is the highest technically capable offeror with twelve strengths across all of its [technical and management] factor and its higher [past performance] factor rating, its technical advantages including expertise and knowledge gained from its incumbency and strong management team do not justify the payment of its 6.72 [percent] (\$19,014,611) higher evaluated price as compared to Sayres[’s] very capable proposal.[ ] Both offerors[’] proposals contain three substantive strengths in [the technical capabilities and approach] subfactor--the most important subfactor under the [technical and management] factor. Both offerors were outstanding in [the technical capabilities and approach] subfactor, and in my qualitative assessment looking beyond the adjectival ratings to the underlying strengths, each had very impressive proposals. While CACI’s superior technical proposal had four additional strengths in [the management approach] subfactor and three additional strengths in [the personnel requirements] subfactor as compared to Sayres[’s] . . . proposal, in my judgement, CACI’s technical advantages and higher [past performance] factor rating are not worth the difference in price as compared to the lower technically rated, but still technically strong, Sayres proposal.

*Id.* at 29-30.

On August 22, 2023, the agency notified CACI of its award decision. After a debriefing, this protest followed.<sup>2</sup>

---

<sup>2</sup> The task order at issue is valued in excess of \$25 million and was placed under an IDIQ contract established by the Navy. Accordingly, our Office has jurisdiction to consider CACI’s protest. 10 U.S.C. § 3406(f)(1)(B).

## DISCUSSION

CACI challenges various aspects of the agency's evaluation of the awardee's proposal under the technical and management factor, the agency's evaluation of the awardee's proposal for cost realism, and the agency's award decision. In its various protest submissions, CACI has raised arguments that are in addition to, or variations of, those specifically discussed below. While we do not specifically address all of CACI's arguments, we have fully considered all of them and find no basis to sustain CACI's protest.<sup>3</sup>

### Technical and Management Factor, Technical Capabilities and Approach Subfactor

First, CACI challenges the three strengths assessed in Sayres's proposal under the technical capabilities and approach subfactor, which was the most important subfactor under the technical and management factor. As a representative example, CACI argues that "the most glaring error" and "a blatant departure from the RFP's evaluation criteria" was the agency's assessment of a strength "based primarily on the experience of [a named] individual proposed employee." Comments and Supp. Protest at 5. In this regard, CACI contends that the RFP "expressly excluded any consideration of individual employees' experience from" the evaluation under this subfactor. *Id.* at 6. CACI further contends that this individual's "experience was irrelevant to the evaluation of" the awardee's approach under this subfactor because this individual was discussed under the management approach subfactor in the awardee's proposal. *Id.*

In response, the agency argues that "CACI's attempt to conflate one example of an individual's experience while at the same time discounting the knowledge, capability, and experience credited throughout the strength is nothing more than mere disagreement with agency evaluators." Supp. MOL at 8. The agency argues that the assessment of this strength was based on several considerations and consistent with the terms of the RFP.

For the technical capabilities and approach subfactor, the RFP provided that the agency "will evaluate the degree to which the proposal demonstrates specific knowledge, capability, technical approach, and corporate experience (not individual employees) for both Prime and Subcontractors in performing all aspects of the SOW/PWS [Statement of Work/Performance Work Statement]." RFP at 122. The RFP defined a strength as "an aspect of an Offeror's proposal that has merit or exceeds specified performance or

---

<sup>3</sup> CACI also initially raised, but subsequently abandoned, various arguments about the agency's evaluation and alleged disparate treatment under the past performance factor, and the agency's alleged failure to upwardly adjust the awardee's costs for escalation. *Compare* Protest at 28-29, 36-41, *with* Contracting Officer's Statement and Memorandum of Law (COS/MOL) at 19-28, 31-32, *with generally* Comments and Supp. Protest; *see also* Supp. MOL at 2 n.1, 8 n.4. We will not consider abandoned arguments. *IntelliDyne, LLC, B-409107 et al.*, Jan. 16, 2014, 2014 CPD ¶ 34 at 3 n.3.

capability requirements in a way that will be advantageous to the Government during Task Order performance.” *Id.* at 121.

The record shows that the technical evaluation team (TET) assessed a strength in Sayres’s proposal under the technical capabilities and approach subfactor for the “specialized experience of the Sayres team.” AR, Tab 4, TET Report at 77. The TET recognized various examples of that corporate team’s technical capabilities and approach, including that some tasks would be performed by one of Sayres’s subcontractors and that “this approach brings the benefit of [a named individual’s] experience” who would be serving as a key person through that subcontractor. AR, Tab 4, TET Report at 77, *citing* AR, Tab 2a, Sayres Proposal Vol. I at 8, 48. Among other things, the TET considered that Sayres proposed to have multiple team functions performed by this individual—including as the system design engineering subject matter expert and as the deputy program manager for all PMS 300 tasks—and referenced information about this individual from the awardee’s proposal under the management approach subfactor. AR, Tab 4, TET Report at 77, *citing* AR, Tab 2a, Sayres Proposal Vol. I at 48; *see, e.g., id.* at 18 (describing the awardee’s “approach” under the technical capabilities and approach subfactor, which included functions to be performed by this individual).

The TET then explained the following:

This specialized experience of the Sayres team, including a previous [t]ech [w]arrant [h]older [the named individual] and [the subcontractor], brings capability and knowledge that is a strength in performing unique support requirements in the SOW. These distinctive skillsets and understanding of the unique programs within PMS 300 and PMS 325 will support program continuity and understanding of scope, and therefore benefit the Government by reducing the risk of disruption of schedule and degradation of performance and increase the likelihood of successful Task Order performance.

*Id.* Consistent with the record, the agency explains that this strength was “not limited to an individual’s experience” and instead “highlighted ‘the specialized experience of the [Sayres] team,’--including an individual *and* subcontractor as examples--that ‘brings capability and knowledge that is a strength to the government.’” Supp. MOL at 8.

The evaluation of proposals in a task order competition, including the determination of the relative merits of proposals, is primarily a matter within the agency’s discretion, since the agency is responsible for defining its needs and the best method of accommodating them. *Wyle Labs., Inc.*, B-407784, Feb. 19, 2013, 2013 CPD ¶ 63 at 6. An offeror’s disagreement with the agency’s judgment, without more, is insufficient to establish that the agency acted unreasonably. *STG, Inc.*, B-405101.3 *et al.*, Jan. 12, 2012, 2012 CPD ¶ 48 at 7. In reviewing protests challenging an agency’s evaluation of proposals, our Office does not reevaluate proposals or substitute our judgment for that of the agency, but rather examines the record to determine whether the agency’s

judgment was reasonable and in accord with the stated evaluation criteria and applicable procurement laws and regulations. *MicroTechnologies, LLC*, B-413091, B-413091.2, Aug. 11, 2016, 2016 CPD ¶ 219 at 4-5.

On this record, notwithstanding the references to a named individual in the evaluation report, we find no basis to reject the agency's evaluation. The agency's evaluation identified the constituent features of "the specialized experience of the Sayres team." AR, Tab 4, TET Report at 77. Identification of these features and how the awardee would utilize them in performance of the contract does not equate to evaluating individual experience as prohibited by the RFP. In this regard, while CACI correctly notes that the RFP stated that the agency would evaluate "corporate experience (not individual employees)," RFP at 122, the protester has not established that the evaluation was conducted improperly or that the evaluators were prohibited from considering information detailed in other parts of the proposal.

CACI relies on our decision in *Dix Corp.*, B-293964, July 13, 2004, 2004 CPD ¶ 143, which involved circumstances not found here to argue the RFP prohibited the agency from considering the experience of individual employees in evaluating corporate experience. That decision considered whether an agency could consider on an acceptable or unacceptable basis the experience of key personnel in determining whether a vendor satisfied a requirement for a minimum number of years of corporate experience required by that solicitation. In contrast, the RFP here requires evaluating on a qualitative basis "the degree to which the proposal demonstrates" the offeror's technical capabilities and approach. RFP at 124. In other words, while the issue in *Dix* was focused on whether an individual employee's years of experience could satisfy a requirement for corporate years of experience, the RFP here permits the agency to use its discretion in evaluating additional aspects, such as capability and knowledge, that may be demonstrated by how the offeror proposes to use its personnel in its technical approach. Indeed, in its various arguments, CACI argues that the evaluation criteria for this subfactor includes whether the offeror has "the personnel (and thereby the capability) to perform." Protest at 3. The agency's consideration of the components of that corporate team--to include where multiple team functions would be performed by an individual--is consistent with evaluating the offeror's technical capabilities and approach.

As discussed above, the agency's assessment of this strength in the awardee's proposal was based on several considerations that cumulatively, in the agency's view, demonstrated the beneficial capability, knowledge, and experience of the awardee's team, consistent with the RFP. The record is consistent with the agency's argument that its evaluation was based not on an individual employee's experience, but rather how that experience would be used to support "the specialized experience of the Sayres team . . . which brings capability and knowledge that is a strength in performing unique support requirements in the SOW." AR, Tab 4, TET Report at 77. Under these circumstances, this protest ground is denied.

## Technical and Management Factor, Personnel Requirements Subfactor

CACI also challenges various aspects of the agency's evaluation under the personnel requirements subfactor, which was the least important subfactor under the technical and management factor. As a representative example, CACI argues that the agency should have found Sayres's proposal deficient--or, at most, assigned a rating of marginal--under the personnel requirements subfactor. CACI argues that the awardee's staffing plan failed to demonstrate that seven named, non-key personnel satisfied the solicitation's requirements for management experience. Comments and Supp. Protest at 18. In this regard, CACI argues that it was unacceptable for Sayres to provide the total of years of experience for each of these seven non-key personnel without indicating how much of that experience was in the specific type of program management that was detailed in one of the RFP's attachments. *Id.* at 19.

In response, the agency argues that "CACI's allegations mischaracterize the solicitation" and that the evaluation was reasonable and consistent with the terms of the solicitation. Supp. MOL at 12. The agency argues that, "[c]ontrary to CACI's assertion, the solicitation does not require that offerors demonstrate in their proposed staffing plan attachment, or elsewhere in their proposal, how non-key personnel meet the solicitation's . . . experience requirements," nor does the solicitation "require the Navy to evaluate whether offerors have demonstrated that their proposed, named non-key personnel meet [the solicitation's experience] requirements." *Id.* at 12-13.

The record shows that, for the personnel requirements subfactor, the RFP established that the agency would "evaluate the degree to which the staffing plan demonstrates the ability to successfully meet requirements of the SOW/PWS." RFP at 123. The RFP provided different requirements for key personnel versus non-key personnel, and referenced various attachments to the RFP that were in the form of Microsoft Excel spreadsheets for offerors to complete by inserting information in various columns. See *id.* at 110-111, 123.

Primarily, the RFP required that offerors "*shall* provide a staffing plan" that was included as attachment 1 to the RFP and "*shall* complete the staffing plan columns" such as "years of applicable experience" for all proposed labor category personnel, including non-key personnel.<sup>4</sup> *Id.* at 111 (emphasis added). The record shows that the example provided in the RFP's attachment 1 identified a number in response to "years of related professional experience" rather than a detailed explanation of why the number should be considered "related." RFP, attach. 1, Staffing Plan; see Supp. MOL at 14.

By contrast, the RFP instructed that offerors "*may* provide additional information to support the level of experience and/or education requirements per the Labor Category

---

<sup>4</sup> The RFP refers to this part of the proposal as a "staffing plan" or a "staffing plan without cost," and this includes a column labeled as "years of applicable experience" or "years of related professional experience." *Id.* at 111, 123; see AR, Tab 1(a), RFP, attach. 1, Staffing Plan.



Qualifications” that were detailed in another attachment to the RFP. RFP at 111 (emphasis added). That separate attachment, labeled “attachment 4” and not part of the SOW/PWS requirements, identified various personnel qualifications such as “minimum years experience” and “preferred years experience,” and listed, for example, specific types of program management for the various labor categories. See AR, Tab 1(d), RFP, attach. 4, Personnel Qualifications. While the RFP instructed that proposed key personnel must meet all mandatory requirements included in the RFP’s attachment 4, it did not specify the same requirement for non-key personnel. See RFP at 111, 123.

The record shows that Sayres submitted a staffing plan that included a “years of professional related experience” column as well as an additional “description of related work experience.” See AR, Tab 2(a)(1), Sayres Proposal Vol. I, attach. 1. The TET evaluated Sayres’s proposal and assigned a rating of acceptable under the personnel qualifications subfactor. AR, Tab 4, TET Report at 81. Consistent with the record, the TET chairperson further explains the following:

Based on the evaluation of Sayres’s Staffing Plan, the TET did not identify deficiencies or weaknesses associated with the seven proposed non-key personnel CACI discusses in its supplemental protest. Looking at the information provided in all columns of the Staffing Plan without Cost, and with the understanding that Section L authorizes Offerors to propose non-key personnel as “TBD [to be determined],” the TET did not find that the information provided by Sayres was deficient or presented any weaknesses. Rather, based on its holistic consideration of Sayres’s Staffing Plan without Cost, which included well over 250 personnel, and the Staffing Plan narrative in Volume I of Sayres’s proposal, the TET determined that the proposal meets requirements and indicates an adequate approach and understanding of the requirements, and risk of unsuccessful performance is no worse than moderate.

AR, Decl. of TET Chairperson, Oct. 26, 2023, at 2.

As noted above, the evaluation of proposals in a task order competition, including the determination of the relative merits of proposals, is primarily a matter within the agency’s discretion, since the agency is responsible for defining its needs and the best method of accommodating them. *Wyle Labs., Inc., supra* at 6. Further, where a protester and agency disagree over the meaning of solicitation language, we will resolve the matter by reading the solicitation as a whole and in a manner that gives effect to all of its provisions; to be reasonable, and therefore valid, an interpretation must be consistent with the solicitation when read as a whole and in a reasonable manner. *Alluviam LLC*, B-297280, Dec. 15, 2005, 2005 CPD ¶ 223 at 2. Where a dispute exists as to a solicitation’s actual requirements, we will first examine the plain language of the solicitation. *Point Blank Enters., Inc.*, B-411839, B-411839.2, Nov. 4, 2015, 2015 CPD ¶ 345 at 4.

Here, we find no basis to question this aspect of the agency's evaluation. In essence, the protester and the agency disagree over whether proposed non-key personnel had to meet the requirements in the RFP's attachment 4. As noted above, the RFP required proposed key personnel to meet the requirements in attachment 4 and drew distinctions between key and non-key personnel. RFP at 111, 123. The protester has not established that it was unreasonable, when reading the RFP as a whole, for the agency to consider that offerors "may," but were not required to, provide the information suggested in attachment 4 for their proposed non-key personnel; and for the agency to focus on evaluating "the degree to which the staffing plan demonstrates the ability to successfully meet the requirements of the SOW/PWS." *Id.* at 123. Indeed, CACI acknowledges that the seven individuals at issue in its protest allegations are non-key personnel, not subject to the more stringent key personnel requirements of the RFP. Moreover, CACI does not dispute that the RFP provided for evaluating "the degree to which the staffing plan demonstrates the ability to successfully meet requirements of the SOW/PWS," which were notably separate from the RFP's attachment 4.

As an example of the RFP terms applicable to the seven non-key personnel raised in CACI's protest, attachment 4 suggested that the position of "manager, program/project (senior level)"<sup>5</sup> have, in terms of "minimum years experience": "15+ years program management, Government technical management or Industry business management, with 7+ years in DoD/DoN [Department of Defense/Department of the Navy] program management." See RFP, attach. 4, Personnel Qualifications. The record shows that Sayres proposed as a non-key person for this position a named individual who had 18 years of related professional experience. Further, Sayres provided the following description of related work experience: "18 years' overall engineering experience, including current company role as the [three agency offices] Engineering Task Lead." See AR, Tab 2(a)(1), Sayres Proposal Vol. I, attach. 1. While CACI complains that the description does not indicate that this non-key person has seven or more years of specific program management experience, CACI has not established that the agency was required to reject or downgrade Sayres's proposal based on the information provided for this proposed non-key person.

Under the circumstances here, we find no basis to question the agency's evaluation of Sayres's proposal as acceptable considering the evaluation approach in the RFP, as discussed above. While CACI complains that Sayres's staffing plan "is in stark contrast to CACI's, which provided information for each of the personnel proposed for these positions that clearly detailed" their experience, including how much of that experience was in specific program management, Comments and Supp. Protest at 21, *referencing* AR, Tab 3(a)(1), CACI Proposal Vol. I, Staffing, we note that the record is clear that the TET recognized CACI's technical superiority in this regard, as reflected in the

---

<sup>5</sup> While the RFP lists "manager, program/project (senior level)" as a key person position, the agency, in response to questions prior to the due date for proposals, identified this position as one of 12 specific positions that would have "one key person[ ] and the remaining are non-key positions." *Id.* at 111; AR, Tab 17, Industry Questions at 11; see also Supp. MOL at 13 n.12.

protester's assigned rating of outstanding for this subfactor, and the awardee's rating of acceptable. AR, Tab 4, TET Report at 27.

In sum, while CACI disagrees with various aspects of the agency's evaluation, it has not demonstrated that the agency's evaluation was unreasonable or inconsistent with the terms of the solicitation and applicable procurement law and regulation. Accordingly, this protest ground is denied.

### Cost Realism

CACI also challenges the agency's cost realism evaluation of Sayres's proposal. As noted above, the agency's cost realism evaluation resulted in an upward cost adjustment of approximately \$[REDACTED] for Sayres from a total proposed price of \$[REDACTED] to a TEP of \$282,938,493. AR, Tab 5, CET Report at 95. CACI asserts that "Sayres is an inexperienced, formerly small business contractor lacking the workforce to perform this substantially larger effort" and primarily contends that the agency failed to evaluate what are, in the protester's view, "the risks of Sayres'[s] technical solution involving incumbent personnel capture." Protest at 25. Explaining that the "offerors' costs here are driven largely by the labor rates of its proposed personnel" and relying on what CACI itself proposed as "the experienced incumbent contractor," CACI alleges that "Sayres necessarily proposed a technical approach that involved hiring CACI's incumbent personnel" and that the agency "failed to properly evaluate Sayres'[s] proposed costs for this proposed performance approach." *Id.* at 26-27.

As noted above, the RFP provided that the agency's cost/price evaluation would include calculating a TEP and conducting a cost realism analysis. The RFP provided that "[t]he Government will perform an analysis of the cost realism and completeness of the cost data and the traceability of the proposed cost to the Offeror's approach under the non-cost factors, including the proposed amount and allocation of labor-hours and labor mix," and included a non-exhaustive list of cost information. RFP at 124. In this regard, while the RFP noted that the agency "reserves the right to consider reasonable and realistic substantiating data from any other sources," the RFP also warned that "the Government is under no obligation to identify and use any cost realism data other than that provided by the Offeror, including any it already possesses." *Id.* at 125.

In response to the protest, the agency argues that its evaluation was reasonable and consistent with the terms of the RFP and applicable procurement law and regulation. The record shows that the agency evaluated Sayres's proposal for cost realism, which included considering named, contingent, and TBD hires; reviewing supporting documentation; and accepting Sayres's proposed direct labor rates. See AR, Tab 5, CET Report at 95-114. Primarily, the agency disagrees with CACI's characterization of Sayres's proposal and notes that while Sayres proposed some TBD personnel, neither this feature nor the other language of the awardee's proposal reflected a reliance on incumbent capture. COS/MOL at 39. The agency notes that the RFP permitted offerors to propose TBD personnel, and the RFP provided that, "[f]or any position for which no

candidate has been identified by name (unnamed personnel), Offeror shall submit [ ] payroll data for a comparable position and a brief analysis of how the proposed position is comparable to the position corresponding to the payroll data supplied.” See *id.* at 29; RFP at 113.

The record shows that the CET considered, for TBDs, “Sayres used current employee salaries to calculate a company composite rate for each labor category and experience level,” and the CET reviewed and accepted those proposed direct labor rates. AR, Tab 5, CET Report at 96. The agency notes that Sayres proposed 23 TBD personnel out of 241 with base-year labor hours, and 51 TBD personnel out of 273 overall; as the agency summarizes:

The staffing plan proposed by Sayres does not resemble a staffing plan where the main source of personnel is incumbent capture. In those cases, the proposed staffing would have a greater number of TBDs. Accordingly, neither the TET nor the SSA concluded that Sayres’[s] main method for staffing the solicited effort was incumbent capture or that it even encompassed a significant portion of its staffing approach. Therefore, CACI’s supposition of Sayres’[s] staffing plan and accompanying risk level are both incorrect and constitute mere disagreement with the agency’s award decision.

COS/MOL at 39. In addition to the TBDs, the agency explains that it considered that the awardee’s technical approach “included a robust prime and subcontractor team with named personnel to accomplish the vast majority of effort under the contract, and the proposed personnel met the knowledge, skills, education, experience and training criteria listed in the solicitation.” *Id.* at 30.

Moreover, in the agency’s view, Sayres’s technical approach “expressed flexibility to offer incumbent personnel positions based on input from the Navy” rather than relying on incumbent capture. Supp. MOL at 19; see also COS/MOL at 30 n.17, *citing* AR, Tab 2(a), Sayres Proposal, Vol. 1 at 51-52 (“While we have performed a detailed analysis of the SOW to develop our Staffing Plan and identify the most qualified personnel at the best value to PMS 300 [and] PMS 325, we are prepared to work with PMS 300 [and] PMS 325 to consider incumbent talent to ensure desired staffing of the contract.”). As the record shows by way of other examples, Sayres stated in its proposal that the agency could support the transition by “identifying personnel assignment requirements and any incumbent candidates who should be considered for employment on the new contract team,” and that Sayres “maintains our flexibility in employing personnel who are preferred by the customer and will offer first right of refusal for qualified, incumbent personnel.” *Id.* at 59, 65. In the agency’s view, these references in the awardee’s proposal that “left open the possibility of hiring some ‘select’ incumbent personnel” did not make Sayres’s proposed labor rates unrealistic nor provide a basis “upon which to question Sayres’[s] proposed rates . . . [or] upon which to adjust them.” Supp. MOL at 10.

When an agency evaluates proposals for award of a cost-reimbursement contract (or, as here, a task order), it must perform a cost realism analysis to determine the extent to which an offeror's proposed costs are realistic for the work to be performed. FAR 15.305(a)(1), 15.404-1(d); *National Gov't Servs., Inc.*, B-412142, Dec. 30, 2015, 2016 CPD ¶ 8 at 8. Nonetheless, 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. *SGT, Inc.*, B-294722.4, July 28, 2005, 2005 CPD ¶ 151 at 7. An agency is not required to conduct an in-depth cost analysis, see FAR 15.404-1(d)(1), or to verify each and every item in assessing cost realism; rather, the evaluation requires the exercise of informed judgment by the contracting agency. *AdvanceMed Corp.; TrustSolutions, LLC*, B-404910.4 *et al.*, Jan. 17, 2012, 2012 CPD ¶ 25 at 13. Agencies are given broad discretion to make cost realism evaluations. *Tridentis, LLC*, B-410202.2, B-410202.3, Feb. 24, 2015, 2015 CPD ¶ 99 at 7. Consequently, our review of an agency's cost realism evaluation is limited to determining whether the cost analysis is reasonably based and not arbitrary. *Id.*

On this record, we find no basis to question this aspect of the agency's evaluation. CACI's various allegations are predicated on the protester's assumption that Sayres's technical approach relied on incumbent capture. To the contrary, the record shows and the agency explains that Sayres's technical approach did not rely on incumbent capture, but rather was flexible to incorporating the agency's input and potential preferences for incumbent personnel. As noted above, the record shows that the agency evaluated Sayres's proposal for cost realism, which included considering named, contingent, and TBD hires; reviewing supporting documentation; and accepting Sayres's proposed direct labor rates. See AR, Tab 5, CET Report at 95-114. For TBD personnel, Sayres provided "current employee salaries to calculate a company composite rate for each labor category and experience level," which was consistent with the terms of the RFP and reviewed by the CET. *Id.* at 96; see *also* RFP at 113.

Moreover, in its disagreement with the agency's evaluation of Sayres's proposal, CACI relies on what CACI itself proposed as "the experienced incumbent contractor," Protest at 27, and repeatedly draws comparisons between the offerors' costs. See, e.g., Protester's Supp. Comments at 10. However, as reflected in the record, the agency recognized that the proposals reflected different approaches including, overall, that CACI offered "the highest technical capability of all offerors at the highest TEP." AR, Tab 6, SSM at 23. Indeed, even the protester recognizes that "the scope of CACI's effort as the prime contractor, and the range of personnel performing that effort, are clearly different from that of Sayres." Protester's Supp. Comments at 10. We note that an agency is not required to adjust an offeror's proposed labor rate simply because it does not mirror the incumbent's rates. *Science Applications Int'l Corp.*, B-419961.3, B-419961.4, Feb. 10, 2022, 2022 CPD ¶ 59 at 19.

In sum, CACI has not established that the evaluation was inconsistent with the terms of the RFP and applicable procurement law and regulation. This protest ground is denied.

## Best-Value Tradeoff Decision

Finally, CACI challenges the agency's decision to issue the task order to Sayres, which received lower ratings and had a lower TEP. See Protest at 17-25; Comments and Supp. Protest at 23-30.

As noted above, the SSA considered the evaluation results and concluded that Sayres's proposal represented the best overall value to the agency. In reaching that determination, the contracting officer noted the various features of the proposals, CACI's higher ratings under the technical and management and past performance factors, and the premium of 6.72 percent for CACI's proposal. AR, Tab 6, SSM at 23-26, 29-30. The SSA concluded that the difference was not worth paying the higher price, compared to the "lower technically rated, but still technically strong, Sayres proposal." *Id.* at 30.

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, that is, to determine whether one proposal's technical superiority is worth its higher price. *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 non-price (or, as here, cost and non-cost) 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. Generally, in a negotiated procurement--including task order procurements subject to the provisions of FAR subpart 16.5 that use negotiated procurement techniques--an agency may properly select a lower-rated, lower-priced proposal where it reasonably concludes that the price premium involved in selecting a higher-rated proposal is not justified in light of the acceptable level of technical competence available at a lower price. *DynCorp Int'l, LLC*, B-412451, B-412451.2, Feb. 16, 2016, 2016 CPD ¶ 75 at 22; see also *Smartronix, Inc.*; *ManTech Advanced Sys. Int'l, Inc.*, B-411970.9 *et al.*, Dec. 9, 2016, 2016 CPD ¶ 362 at 10. Our Office has found that when SSAs have performed this analysis, it is within their discretion to choose a lower-rated, lower-priced proposal in a best-value procurement. *Strategic Operational Sols.*, B-420159 *et al.*, Dec. 17, 2021, 2021 CPD ¶ 391 at 7, *citing Research & Dev. Sols., Inc.*, B-410581, B-410581.2, Jan. 14, 2015, 2015 CPD ¶ 38 at 11.

On this record, the SSA concluded that the technical advantages identified in CACI's proposal were not great enough to justify paying the cost premium involved in selecting CACI's proposal. Given the discretion afforded to the agency, we find nothing unreasonable in the agency's assessments and conclusions here; accordingly, we find no merit in CACI's challenge to the agency's best-value tradeoff decision.

The protest is denied.

Edda Emmanuelli Perez  
General Counsel

