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# Decision

**Matter of:** General Dynamics Information Technology, Inc.

**File:** B-422272; B-422272.2

**Date:** March 15, 2024

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## DIGEST

1. Protest challenging the agency's cost realism evaluation, which found the protester's proposal materially noncompliant with the solicitation, is denied where the evaluation was reasonable and consistent with the terms of the solicitation and applicable procurement law and regulation.
  2. Protest challenging the agency's decision not to conduct discussions is denied where the solicitation provided that the agency intended to make award without discussions and no statute or regulation required the agency to conduct discussions.
  3. Protest challenging the agency's cost realism evaluation of the awardee's proposal is denied where the evaluation was reasonable and consistent with the terms of the solicitation and applicable procurement law and regulation.
  4. Protester is not an interested party to raise other challenges to the agency's evaluation and award decision where, due to being materially noncompliant under the cost evaluation factor, it would not be eligible for award.
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## DECISION

General Dynamics Information Technology, Inc., (GDIT) of Falls Church, Virginia, protests the issuance of a task order to International Business Machines Corporation

(IBM) of Bethesda, Maryland, under request for proposals (RFP) No. N0003923R5555, issued by the Department of the Navy, Naval Information Warfare Systems Command, for development, operations, and sustainment services. The protester primarily challenges the rejection of its proposal under the cost evaluation factor. The protester also challenges various other aspects of the agency's selection process, including the agency's decision not to conduct discussions, the evaluation of the awardee's cost proposal, and the award decision.

We deny the protest.

## BACKGROUND

The agency issued the RFP on June 22, 2023, under the General Services Administration (GSA) Alliant 2 governmentwide acquisition contract (GWAC) vehicle and pursuant to Federal Acquisition Regulation (FAR) section 16.505 procedures. Agency Report (AR), exh. 1, RFP at 72.<sup>1</sup> According to the RFP, the agency is engaged in efforts to transform “a complex family of systems that enable the Navy to perform HR [human resources] and other non-tactical business operations ashore and afloat,” which the agency refers to more commonly as “MyNavy HR.” AR, exh. 2, RFP, Performance Work Statement (PWS) at 1. As part of those efforts, the agency intends to evolve its current MyNavy HR support environment from over 200 “legacy applications” to “a cloud-based architecture comprised of five systems”—one of which is the “Authoritative Data Environment (ADE),” which the RFP explains is “the next step in the evolution of the Navy’s objective to provide an enterprise level authoritative data warehouse and data services.” *Id.* at 1-2. In this context, the RFP seeks a contractor to provide various information technology services to support the development, operations, and sustainment of the ADE; among other things, the contractor would be expected to support “all aspects of the Systems Development Life Cycle [ ] such as development, integration, testing, implementation, and sustainment of ADE capabilities.” *Id.* at 5.

The RFP contemplated the issuance of a single cost-plus-fixed-fee, level of effort task order, which would also include cost-reimbursement line items, to be performed over a base year period, four option years, and an optional 6-month extension. RFP at 41, 75. The RFP stated that the agency “intends to award a task order to the responsible offeror whose proposal conforms to the RFP’s requirements and is determined to be the most advantageous to the Government based upon an integrated assessment of the evaluation factors,” listed in descending order of importance: technical approach; cost; management; and sample scenario. *Id.* at 87-88. While the RFP provided that the non-cost factors, when combined, were significantly more important than cost, the RFP also provided that the importance of cost would increase “with the degree of equality of the non-cost evaluation factors” and may become the “determining factor for award” when,

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

for instance, “offerors are considered essentially equal in terms of technical capability.” *Id.* at 89.

For the non-cost factors, the RFP provided that the agency would first evaluate proposals against the evaluation criteria and then perform a comparative analysis of the proposals to assign ratings of “most suitable” or “not most suitable” for each factor. *Id.* The RFP further explained that the agency could “determine more than one proposal as ‘most suitable’ for a factor where the [offerors’] findings are considered essentially equal.” *Id.*

For the cost evaluation factor, the RFP provided that the agency would perform a cost realism analysis for the contract line item numbers (CLINs) designated as cost-plus-fixed-fee and cost, and indicated that the agency “would only make upward adjustments in a cost realism analysis.” *Id.* at 89-90. The RFP required that “proposals shall be sufficiently detailed to demonstrate cost reasonableness and realism,” and warned that “offerors bear the entire responsibility of submitting cost realism substantiating data to support its proposed costs.” *Id.* at 80, 91. The RFP further provided that “[a]ny inconsistency, whether real or apparent, between promised performance and proposed costs should be explained in the proposal,” and that “[a]ny inconsistency, if unexplained, raises a fundamental issue of the offeror’s understanding of the nature and scope of the work required and the offeror’s ability to perform the task order.” *Id.* at 80. Ultimately, the RFP warned that “offerors whose cost proposal is determined to be incomplete or unreasonable will not be considered for award.” *Id.* at 91.

Of note, the RFP stated that the agency “intends to make award based on the initial proposal submissions without conducting interchanges,” and reiterated that the agency “is not required to conduct interchanges with any offeror responding to this RFP.” *Id.* at 88. The RFP also reiterated that this “task order evaluation and award will be conducted pursuant to FAR 16.505,” and that it “is not being conducted using the formal source selection procedures of FAR subpart 15.3.” *Id.* at 87.

On or before the July 24 closing date, the agency received proposals from two offerors: GDIT (the incumbent contractor) and IBM. The agency evaluated the proposals as follows:

	<b>GDIT</b>	<b>IBM</b>
<b>Technical Approach</b>	Most Suitable	Most Suitable
<b>Management</b>	Most Suitable	Most Suitable
<b>Sample Scenario</b>	Most Suitable	Not Most Suitable
<b>Total Probable Cost</b>	Unable to Calculate	\$102,026,685

AR, exh. 33, Task Order Selection Officer (TOSO) Decision Document at 1.

Of relevance here, the agency noted that GDIT presented a total proposed cost of \$106,161,483 but a total “most probable cost could not be calculated for GDIT’s proposal due to the magnitude of the omissions and conflicting information contained

within its proposal.” *Id.* at 2; *see also* AR, exh. 30, Cost Evaluation Report at 9-11. The cost evaluation team (CET) found several distinct issues and concluded that GDIT’s proposal was “materially noncompliant with the solicitation requirements to provide the required information to support its proposed costs and for the Government to conduct its cost realism analysis on the proposed costs.” AR, exh. 30, Cost Evaluation Report at 11.

The selection officer then considered the evaluation, compared the proposals, and documented the award decision. In determining that IBM’s proposal was “the most advantageous to the government,” the selection officer concluded:

As previously discussed, GDIT’s initial proposal was determined to be materially noncompliant with the solicitation requirements due to not providing the required information to support its proposed costs and for the Government to conduct its cost realism analysis on the proposed costs. Therefore, award cannot be made to GDIT based on its initial proposal. Further, even if GDIT’s proposal was awardable, I have determined that GDIT’s technical proposal does not offer a sufficient technical advantage over IBM to warrant paying a cost premium. GDIT and IBM are technically equivalent in the first and third most important factors, with GDIT offering a slight advantage over IBM in the fourth most important factor. As a result, I do not believe there is sufficient basis to justify paying a \$4.1 million cost premium for GDIT’s proposal (if it were awardable). Based on this analysis, I have determined IBM’s proposal to be the most advantageous to the Government and that IBM should be awarded the task order pursuant to the RFP.

AR, exh. 33, TOSO Decision Document at 3.

The agency selected IBM for award and, on November 30, notified GDIT of its decision. After a debriefing, this protest followed.<sup>2</sup>

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<sup>2</sup> For purposes of determining the applicable dollar value threshold for our Office’s jurisdiction to hear protests in connection with the issuance of a task or delivery order, we analyze the statutory authority (*i.e.*, title 10 or title 41 of the United States Code) under which the indefinite-delivery, indefinite-quantity (IDIQ) contract was established, rather than the authority applicable to the agency that issued the task or delivery order.

Here, although the task order will be in support of a Department of Defense organization, the Alliant 2 GWAC is a civilian agency IDIQ contract awarded by GSA. As such, the protest is within our Office’s jurisdiction because the value of the order to be issued exceeds \$10 million. *See* 41 U.S.C. § 4106(f); *Analytic Strategies LLC; Gemini Indus., Inc.*, B-413758.2, B-413758.3, Nov. 28, 2016, 2016 CPD ¶ 340 at 4-5.

## DISCUSSION

GDIT challenges various aspects of the agency's source selection process, including the agency's cost realism evaluation, decision not to conduct discussions, and award decision. The parties have raised various arguments, including ones that are in addition to, or variations of, those specifically discussed below. While we do not specifically address every argument, we have fully considered all of them and find that they afford no basis on which to sustain the protest.

### Cost Evaluation of GDIT's Proposal

Primarily, GDIT challenges the agency's cost evaluation of its proposal. In the protester's view, "none of the documented issues were material defects or in any way restricted the Agency from assessing the realism of GDIT's proposed costs." Protest at 11. The protester further contends that, "to the extent there were any inconsistencies, the items were relatively innocuous and, at worst, should have resulted in a negative finding--not outright rejection of the technically superior, higher-rated proposal." *Id.*

As noted above, the RFP provided that the agency would perform a cost realism analysis and contained several warnings including, "offerors bear the entire responsibility of submitting cost realism substantiating data to support its proposed costs," and "offerors whose cost proposal is determined to be incomplete or unreasonable will not be considered for award." RFP at 91. The RFP further provided that "any inconsistency . . . should be explained in the proposal" and, "if unexplained, raises a fundamental issue of the offeror's understanding of the nature and scope of the work required and the offeror's ability to perform the task order." *Id.* at 80.

The record shows that the CET evaluated GDIT's proposal and found four distinct areas of concern. The CET found various omissions and inconsistencies throughout the proposal pertaining to GDIT's proposed use of subcontractors, level of effort, and overtime and shift premiums. AR, exh. 30, Cost Evaluation Report at 9-11. The CET concluded:

[GDIT's] proposal is not clear, concise, and does not include sufficient detail for the Government to perform an effective evaluation and substantiate the validity of the Offeror's proposed costs. Given the magnitude of omissions and conflicting information contained within [GDIT's] proposal, the CET was unable to perform a cost realism analysis. Therefore, [GDIT's] proposal is materially noncompliant with the solicitation requirements to provide the required information to support its proposed costs and for the Government to conduct its cost realism analysis on the proposed costs.

*Id.* at 11. In sum, the agency asserts that its evaluation was reasonable as it "reviewed GDIT's proposal in its entirety and attempted to conduct [a] cost realism [assessment]"

but simply could not do so due to GDIT's failure to provide the information required by the solicitation." Memorandum of Law (MOL) at 9; see also Supp. MOL at 22.

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), 16.505(b)(3); *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.*

Moreover, it is an offeror's responsibility to submit a well-written proposal, with adequately detailed information which clearly demonstrates compliance with the solicitation requirements and allows for a meaningful review by the procuring agency. *Viatech, Inc.*, B-411388, July 21, 2015, 2015 CPD ¶ 237 at 6. Agencies are not required to infer information from an inadequately detailed proposal, or to supply information that the protester elected not to provide. *Id.* at 6-7. An offeror that does not affirmatively demonstrate the merits of its proposal risks rejection of its proposal or risks that its proposal will be evaluated unfavorably where it fails to do so. *Johnson Controls, Inc.*, B-407337, Nov. 20, 2012, 2012 CPD ¶ 323 at 4.

Here, we find no basis to question the agency's evaluation of GDIT's proposal, and we agree that GDIT's proposal lacked certain information that the agency needed to conduct a proper cost realism analysis. As a representative example, the CET noted that GDIT's proposal omitted various costs for its subcontractors and reflected inconsistencies with its proposed use of those subcontractors. Specifically, with regard to two of GDIT's seven subcontractors, the CET noted:

[GDIT] proposed two of its seven subcontractors, [REDACTED] and [REDACTED], in Section 1.3, Offeror and Subcontractor(s) Cost Narrative and Cost Proposal Information, of its cost proposal by providing [time & material] rates only. No labor hours and costs, in any year of performance, were proposed in the Offeror's pricing cited in Section 1.3 or its proposed completed Attachment L-2, Cost Proposal Workbook, for either of these companies. Furthermore, the Offeror proposed these same two companies as subcontractors under its non-cost factor proposal and cited them in multiple areas in the execution of its proposed technical

approach. The Offeror failed to provide any type of explanation or supporting rationale for its lack of proposed hours and costing of these two subcontractors in its proposed completed Attachment L-2, Cost Proposal Workbook. As a result, the Offeror's total proposed costs do not include any cost (\$0) for the performance of either of these subcontractors that are cited throughout the Offeror's non-cost factor proposal.

AR, exh. 30, Cost Evaluation Report at 9. In other words, while GDIT proposed to use these two subcontractors "throughout its technical proposal and in a way that would require work to be performed by these subcontractors in year one (and indeed on day one of performance) to meet the contract requirements," the protester "failed to propose any hours for these two subcontractors in any year of performance" in its cost proposal. MOL at 14.

GDIT acknowledges that these two subcontractors are mentioned in multiple parts of its proposal as part of its approach. Protest at 12, *citing* AR, exh. 11, GDIT Proposal Vol. 1, Technical Approach at 1 (identifying these two subcontractors as part of "Team GDIT"), at 4; *and* AR, exh. 12, GDIT Proposal Vol. 1, Management at 31, at 33 (explaining these two subcontractors "add[] even more to provide enhanced support across MyNavy HR pillars"), at 34 (explaining "Team GDIT's" staffing plan, which includes these two subcontractors, to "immediately deliver fully trained, cleared, skilled staff on Day 1"), at 39. Clearly, GDIT's proposal represented that its use of these two subcontractors would be an asset in its proposed approach; yet, in its protest, GDIT downplays its use of these companies as "forward-thinking" and contends that its proposal contained "no inconsistency or error" in omitting costs for these subcontractors because "the PWS does not currently list explicit tasks or scope for these subcontractors." Protest at 12-13.

We find unpersuasive GDIT's position that it did not need to provide costs for these subcontractors. In this regard, we note that GDIT's proposal, with numerous references to using these two subcontractors, can only reasonably be viewed as GDIT proposing to perform the solicitation's stated requirements using these subcontractors from the start of performance--not at an unspecified future time or waiting for the government to establish yet to-be-determined needs. GDIT's argument that it was going to use these subcontractors simply as assets in place to address future needs is inconsistent with the proposal that it submitted for evaluation. Ultimately, while GDIT argues that, had the agency accepted the cost omissions and "simply taken GDIT at its word, there would have been no issue," *id.* at 13, we agree with the agency that doing so would have required the agency to "ignor[e] the inconsistency between [GDIT's] promised performance and cost" in a way that would undermine the agency's obligation to conduct a proper cost realism analysis. MOL at 21. The protester has not established that the agency's judgment was unreasonable, and its disagreement, without more, is insufficient to sustain the protest.

As another representative example, the CET noted that GDIT's proposal contained discrepancies about the level of effort proposed for two CLIN series. Here, the RFP

provided for performance to be split between two primary CLINs: research, development, test, and engineering (RDTE or RDT&E) CLINs, and operations and maintenance (OMN) CLINs. See RFP at 3-11; Protest at 5. The record shows--and GDIT acknowledges--that the protester's proposed costs reflected the level of effort for OMN as lower than the level of effort for RDTE, while the proposal narrative indicated the opposite. Compare AR, exh. 21, GDIT Proposal Vol. 2, Cost Proposal Workbook with AR, exh. 20, GDIT Proposal Vol. 2, Cost Narrative at 28-30; see also Protest at 14; MOL at 27-29. The CET noted:

Also, the proposed hours and skill mix within the proposed completed Attachment L-2, Cost Proposal Workbook, conflict with the Offeror's provided basis of estimate for the level of effort in relation to its stated ratio of the RDT&E to OMN effort in the Offeror's cost proposal Section 1.3, Offeror and Subcontractor(s) Cost Narrative and Cost Proposal Information. In Section 1.3, the Offeror states that its proposed level of effort is based on RDT&E efforts being less than the OMN efforts in the base year and [option year] 2 through [option year] 4 (the Offeror was silent as to [option year] 1) while in its proposed completed Attachment L-2 the labor hours and costs associated with the RDT&E CLINs are greater than the labor hours and costs associated with the OMN CLINs. The Offeror failed to provide any type of explanation or supporting rationale within its cost proposal addressing the conflicting information.

AR, exh. 30, Cost Evaluation Report at 11. In other words, the agency argues "that this inconsistency rendered it unable to conduct a cost realism [analysis] on GDIT's proposed costs and, as a result, finding the cost proposal to be materially noncompliant and ineligible for award was reasonable and consistent with the solicitation and established case law." MOL at 29-30.

Indeed, "GDIT acknowledges this discrepancy but fails to see how this so drastically impacted the Agency's ability to assess the realism of GDIT's proposed costs." Protest at 14. The protester acknowledges that "the bullet point descriptions of GDIT's proposed level of effort were misaligned to what was actually proposed," yet contends essentially that the agency should have ignored these discrepancies because the narrative information was "not necessary for proposal evaluation." *Id.* GDIT's position is inapposite as it fails to appreciate that a proper cost realism evaluation prevents an offeror from improperly "having it both ways"--that is, as the agency puts it, "proposing one thing in its technical approach and costing another." MOL at 27, citing *Magellan Health Servs.*, B-298912, Jan. 5, 2007, 2007 CPD ¶ 81 at 16.

We find the protester's position untenable. It would be unreasonable to expect the agency to pick and choose between the discrete parts of GDIT's proposal that were clearly inconsistent and use one of those parts as a basis to conduct a cost realism assessment. In this regard, the government has no basis to know which figure GDIT ultimately intended to propose and any cost realism assessment based on the



government's incorrect guess could cause the government to use an incorrect figure in calculating GDIT's most probable costs. Specifically, we agree with the agency that this would have resulted in an "arbitrary adjustment of GDIT's proposal," MOL at 28, and these inconsistencies in GDIT's proposal frustrated the agency's obligation to exercise informed judgment in conducting a proper cost realism analysis--which, as noted above, is 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). Moreover, the evaluation is consistent with the RFP that provided, as noted above, that "any inconsistency" in the proposal, "if unexplained, raises a fundamental issue of the offeror's understanding of the nature and scope of the work required and the offeror's ability to perform the task order." RFP at 80.

In sum, we find no basis to question the agency's evaluation of GDIT's proposal and, ultimately, its conclusion that it could not conduct a cost realism assessment to calculate a total probable cost because GDIT's proposal was materially noncompliant with the solicitation. The agency's evaluation reflects that, under circumstances such as here, "it is the government's cost realism analysis that should ensure that an offeror's evaluated costs properly reflect its proposed performance." *Magellan Health Servs.*, *supra* at 17. Moreover, as noted above, it is an offeror's responsibility to submit a well-written proposal, with adequately detailed information which clearly demonstrates compliance with the solicitation requirements and allows for a meaningful review by the procuring agency. *Viatech, Inc.*, *supra* at 8 (denying protest of agency's cost realism evaluation where the agency reasonably found that the most probable cost was "undeterminable because of an ambiguity" in the proposal). Accordingly, we deny this protest ground.

#### Decision Not to Conduct Discussions

Next, and related to its challenge to the cost realism evaluation of its proposal, the protester argues that the agency "unreasonably elected to forego discussions with GDIT"--or "interchanges," as referred to in the RFP. Protest at 16; RFP at 88. In the protester's view, the agency should have conducted discussions "[g]iven the dollar value and importance of this procurement, as well as GDIT's competitive position under the non-cost factors." Protest at 16. The protester also points to Department of Defense regulations indicating a preference for discussions in acquisitions with an estimated value of \$100 million or more. *Id.*, *citing* Defense Federal Acquisition Regulation Supplement (DFARS) section 215.306(c).

The agency responds that neither the solicitation nor any statute or regulation required it to conduct discussions, and that the agency "exercised proper discretion in not entering interchanges (or discussions)."<sup>3</sup> MOL at 51; *see also* AR, exh. 33, TOSO Decision

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<sup>3</sup> The parties also disagree about the dollar value that would trigger DFARS section 215.306(c), as the agency asserts that the contract award was below \$100 million and the protester notes that the awardee's evaluated cost was above \$100 million. MOL

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Document at 2-3. The RFP stated that the agency “intends to make award based on the initial proposal submissions without conducting interchanges,” and reiterated that the agency “is not required to conduct interchanges with any offeror responding to this RFP.” RFP at 88. The RFP also informed offerors that this “task order evaluation and award will be conducted pursuant to FAR 16.505,” and that it “is not being conducted using the formal source selection procedures of FAR subpart 15.3.” *Id.* at 87.

As a preliminary matter, our Office has said that the provisions of DFARS section 215.306(c), on which the protester relies, are not applicable to procurements conducted under FAR part 16. *R&K Enter. Sols., Inc.*, B-419919.6 *et al.*, Sept. 12, 2022, 2022 CPD ¶ 237 at 11, *citing United Support Servs., LLC*, B-417384, B-417384.3, June 18, 2019, 2019 CPD ¶ 222 at 7-8. Indeed, “GDIT recognizes that this is not a FAR Part 15 procurement, and the expectation set forth in DFARS 215.306(c) could be viewed as not directly applicable.” Protest at 17.

Where, as here, a solicitation advises offerors that an agency intends to make award on the basis of initial proposals, the agency is under no obligation to engage in discussions, and properly may make award based on initial proposals. *CACI Techs., Inc.*, B-411282, June 18, 2015, 2015 CPD ¶ 185 at 4. Moreover, under these circumstances, the agency is not required to engage in discussions in order to afford a protester the opportunity to cure one or more deficiencies in its proposal; rather, it is the protester’s affirmative obligation to demonstrate the merits of its proposal. *Id.* at 3-4. Indeed, while the protester argues that it could have easily corrected the “misunderstandings” in its proposal, GDIT acknowledges that the Navy retains “discretion in deciding whether to conduct discussions.” Comments and Supp. Protest at 10-11.

Under these circumstances, we find no basis to question the agency’s discretion and decision not to conduct discussions. We therefore deny this protest ground.

#### Cost Evaluation of IBM’s Proposal

GDIT also challenges the eligibility of IBM’s proposal under the cost evaluation factor.<sup>4</sup> Specifically, GDIT alleges that the agency “overlook[ed] significant cost realism

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at 48-49, *citing* Contracting Officer’s Statement (COS) at 21; Comments and Supp. Protest at 11. We need not resolve this dispute because, as discussed below, we conclude that the provisions of DFARS section 215.306(c) are not applicable to this procurement.

<sup>4</sup> Because the Navy properly found GDIT’s proposal materially noncompliant with respect to the cost realism analysis, the protester is ineligible for award. GDIT, however, remains an interested party to challenge the acceptability of IBM’s proposal because the exclusion of IBM would result in no offerors being eligible for award. See *Sikorsky Aircraft Corp.*, B-421359, B-421359.2, Apr. 6, 2023, 2023 CPD ¶ 87 at 33,

(continued...)

concerns presented by IBM's proposal" where IBM did not propose, and the agency did not evaluate, costs for transition. Protest at 18. In the protester's view, this was "patently unreasonable and reflects that IBM's proposal should have been found ineligible for award." *Id.* Specifically, the protester points to two places in the RFP that it contends required specific transition information: (1) two CLINs including "a specified period of performance for transition activities," and (2) the PWS "anticipating that [transition] would be discussed in the contractor's Management Plan."<sup>5</sup> Protest at 19, *citing* RFP at 2-3, 26, *and* PWS at 30.

The agency disagrees with the protester's reading of the RFP and instead contends that the solicitation did not require offerors to submit a transition-in plan or price transition separately, nor did it require the agency to evaluate transition. MOL at 38. The agency explains that the references to transition in the PWS are to "submissions [that] were not required to be submitted as part of the proposal, but instead were both due after contract award," specifically in the form of contract data requirements list (CDRL) reports that are due after contract award. *Id.* at 38-39, *citing* PWS at 26, 30; *and* AR, exh. 3, RFP attach. 2, CDRLs at 35, 37. The agency notes that neither the RFP's instructions nor evaluation criteria stated that it would evaluate any such transition-in plan in making its award decision. MOL at 39.

With respect to cost realism, the agency argues that the protester "fails to properly cite to a requirement for the Navy to evaluate any offerors' proposed transition plan as part of its cost realism." *Id.* Consistent with the agency's view, as discussed above, that the RFP provided for transition plans to be submitted after award, the agency argues that: "Requiring the CET to conduct a cost realism [analysis] on offerors' transition plans that

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*citing Root9B, LLC*, B-417801, B-417801.2, Nov. 4, 2019, 2020 CPD ¶ 4 at 7.

Accordingly, we resolve the protester's allegations regarding the IBM proposal below.

<sup>5</sup> We note that the agency has initiated a Procurement Integrity Act (PIA) investigation into the circumstances surrounding the protester's assertion that, "in the days following the award to IBM, Navy personnel revealed that IBM had not proposed costs for any transition activities." Protest at 18. The record shows that the contracting officer has conducted several communications with the protester, "[b]ased on these bold statements in the protest that there was a potential improper release of IBM's proposal and related source selection information." MOL at 42; COS at 22.

The procurement integrity provisions of the Office of Federal Procurement Policy Act, as amended, 41 U.S.C. §§ 2101-2107, known as the PIA, provide, among other things, that "[e]xcept as provided by law, a person shall not knowingly obtain contractor bid or proposal information or source selection information before the award of a Federal agency procurement contract to which the information relates." 41 U.S.C. § 2102(b). Other than as the factual predicate for the protest, the parties do not further pursue this issue before our Office and according to the contracting officer, as of the January 25 filing of the agency report, the PIA investigation is "ongoing." COS at 22.

are not required to be submitted until well after award would not only be an unstated evaluation criteri[on] but also virtually impossible.” *Id.* While the agency agrees with the protester’s observation that the solicitation contains two CLINs that include a specified period of performance for transition, the agency explains that the RFP caveats this period generally as an up to “six month transition time frame [that] may be reduced based on the contractor’s transition plan that is accepted by the Government.” *Id.* at 39-40, *citing* RFP at 2-3, 26. In this context, the agency explains:

As discussed previously, the “transition plan” that is to be accepted by the Government is not required to be submitted by the awardee until 30 days after the [post award conference]. As such, offerors would not be able to properly bid specific transition costs because their transition plan has not been approved by the government, nor would the government be able to evaluate any proposed transitions costs for realism because, likewise, the transition plan would not have been submitted for government approval until well after contract award.

MOL at 40. In other words, the RFP was set up “in a way that included the transition period and associated hours and labor costs to be included within [two] CLINs . . . and did not establish transition costs as a separately priced cost element that would be evaluated by the government as part of its cost realism.” Supp. MOL at 5.

In this context, the agency explains, and the record shows, that IBM’s proposal accounted for transition to the extent the RFP contained the limited references to transition as discussed above. MOL at 44. Among other things, IBM’s proposal stated generally that “most transition activities will be completed in 60 days or less” and indicated some labor categories and hours that would be involved in transition in the first year of performance. AR, exh. 28, IBM Proposal, Vol. 1, Management at 5-6; AR, exh. 26, IBM Proposal, Vol. 2, Cost Narrative at 6. The record shows that the CET validated this information “as required by the RFP. No hours were recommended to be adjusted,” and “the CET made no adjustments to [IBM’s] proposed labor hours.” AR, exh. 30, Cost Evaluation Report at 13.

As noted above, an agency is not required to conduct an in-depth cost analysis, see FAR 15.404-1(d)(1); 16.505(b)(3), 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, supra* at 13. Moreover, agencies are given broad discretion to make cost realism evaluations. *Tridentis, LLC, supra* at 7.

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, the protester has not established that the RFP required the degree of information or evaluation that it suggests the awardee failed to provide and the agency failed to evaluate. Even considering the limited references to transition in IBM's proposal, GDIT has not established that the agency's evaluation was unreasonable or should have led to the rejection of IBM's proposal. The agency has explained, as noted above, that the RFP did not require offerors to provide more information about transition prior to the submission of proposals, and that its evaluation reflects the exercise of its informed judgment, consistent with the terms of the RFP and applicable procurement law and regulation concerning cost realism. See MOL at 37-45. To the extent GDIT claims that the RFP required more information regarding transition, and more scrutiny of such a transition plan, we find this argument not supported by the record; and to the extent GDIT is contending that it should have required this information, we find that the protester is raising an untimely challenge to the terms of the solicitation. 4 C.F.R. § 21.2(a)(1); see, e.g., *ASRC Fed. Data Sols., LLC*, B-417655 *et al.*, Sept. 18, 2019, 2019 CPD ¶ 325 at 7.

We also are unpersuaded by GDIT's supplemental allegation that the protester's alleged "inconsistencies" in the agency's evaluation of IBM's proposal by necessity "must have extended beyond the single transition function," such that "it is inconceivable that other aspects of IBM's proposal are not similarly in conflict, and it is without question that the evaluators never appreciated the extent of IBM's inconsistencies." Comments and Supp. Protest at 19. Our regulations require that a protest include a sufficiently detailed statement of the grounds supporting the protest allegations. 4 C.F.R. §§ 21.1(c)(4), 21.1(f), and 21.5(f). That is, a protest must include sufficient factual bases to establish a reasonable potential that the protester's allegations may have merit; bare allegations or speculation are insufficient to meet this requirement. *Ahtna Facility Servs., Inc.*, B-404913, B-404913.2, June 30, 2011, 2011 CPD ¶ 134 at 11.

In our view, the protester's assertion that there "must" have been other evaluation inconsistencies is speculative as it does not allege specific facts about any other parts of the agency's evaluation and relies simply on the protester's view that its allegation concerning transition must be sustained. We agree with the agency that GDIT's supplemental protest presents a speculative "conclusory jump," Supp. MOL at 20, that is both based on a faulty premise (that inconsistencies have been established) and presumes pervasive improprieties in other areas of the evaluation. This allegation is insufficient to maintain the protest. See also *SimVentions, Inc.*, B-420967, B-420967.2, Nov. 21, 2022, 2022 CPD ¶ 361 at 9 (explaining that "our bid protest procedures do not permit a protester to embark on a fishing expedition for protest grounds merely because it is dissatisfied with the agency's source selection decision").

In all, the protester has not established that the evaluation was inconsistent with the terms of the RFP and applicable procurement law and regulation such that the agency

should have also found IBM, like GDIT, ineligible for award. This protest ground is denied.

### Selection Decision

Finally, GDIT challenges various aspects of the agency's award decision, including the comparison of the proposals under the non-cost factors. See Protest at 21-23. Having addressed GDIT's arguments, concluded that the agency found the protester's proposal materially noncompliant under the cost evaluation factor and therefore ineligible for award, and rejected the allegations about the eligibility of the awardee's proposal, we dismiss the remainder of GDIT's protest grounds because the firm is not an interested party to pursue the remainder of its protest.

An offeror is an interested party if it is an actual or prospective offeror whose direct economic interest would be affected by the award of a contract or by the failure to award a contract. 4 C.F.R. § 21.0(a)(1); *DMS Int'l*, B-409933, Sept. 19, 2014, 2014 CPD ¶ 278 at 6-7. A protester is not an interested party if it would not be next in line for award if we were to sustain its protest. *Resource Title Agency, Inc.*, B-402484.2, May 18, 2010, 2010 CPD ¶ 118 at 9.

As noted above, the RFP provided that award would be made to "the responsible offeror whose proposal conforms to the RFP's requirements and is determined to be the most advantageous to the Government based upon an integrated assessment of the evaluation factors." RFP at 87. The RFP also warned that "offerors whose cost proposal is determined to be incomplete or unreasonable will not be considered for award." *Id.* at 91. The record shows that, as discussed above, the agency reasonably found the protester's proposal materially noncompliant with the solicitation requirements under the cost evaluation factor, so the agency could not conduct a cost realism analysis on GDIT's proposal to calculate a total probable cost. AR, exh. 30, Cost Evaluation Report at 9-11. While the selection officer also considered the non-cost aspects of the proposals, the selection officer ultimately concluded that "award cannot be made to GDIT based on its initial proposal" and that IBM's proposal was "the most advantageous to the government." AR, exh. 33, TOSO Decision Document at 3.

Under these circumstances, we dismiss GDIT's various complaints about the agency's selection decision. The agency's decision is consistent with the well-established principle that an unacceptable proposal cannot be considered for award. See, e.g., *Sikorsky Aircraft Corp.*, *supra* at 38 (and internal citations); *Spectrofuse Corp. of N.C., Inc.--Recon.*, B-281030.3, Apr. 9, 1999, 99-1 CPD ¶ 65 at 2 ("[i]t is fundamental that a materially noncompliant proposal cannot form the basis of an award") (and internal citations).

The protest is denied.

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