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Decision

Matter of: Engineering Research and Consulting, Inc.

File: B-420361.10; B-420361.11; B-420361.12

Date: March 29, 2024

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Captain Paula F. Barr, Department of the Army, for the agency.

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DIGEST

1. Protest challenging the agency's evaluation of total compensation is denied where the agency reasonably evaluated the proposals using the information available to the agency and required by the solicitation.
 2. Protest challenging the agency's cost realism analysis is denied where the agency reasonably exercised informed judgment and determined that the cost elements were realistic for the work to be performed, reflected a clear understanding of the requirements, and were consistent with the offerors' approaches to recruiting and retaining professionals.
 3. Protest challenging agency's best-value tradeoff determination is denied where the record reflects that the source selection authority reasonably found the technical proposals of the awardee and the protester to be essentially equal and selected the lower-priced proposal for award.
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DECISION

Engineering Research and Consulting, Inc. (ERC), of Huntsville, Alabama, protests the award of a contract to TRAX International Corporation (TRAX), of Las Vegas, Nevada, under request for proposals (RFP) No. W91CRB-21-R-0016, issued by the Department of the Army for Aberdeen test support services (ATSS) at the Aberdeen Test Center (ATC) at Aberdeen Proving Ground, Maryland. ERC asserts that the agency's

evaluation of total compensation plans and cost proposals was unreasonable. ERC also argues that the agency's best-value determination and award decision were unreasonable and inadequately explained.

We deny the protest.

BACKGROUND

The primary mission of ATC is to support service members by providing a flexible, responsive, innovative, and diverse set of test capabilities, assets, and services. Agency Report (AR), Tab 4a, Conformed RFP at 7.¹ This procurement will acquire specialized personnel and expertise to help support that mission, which includes planning, conducting, analyzing, and reporting the results of developmental tests, production tests, and other tests. *Id.*

The RFP, issued on November 24, 2020, sought proposals for the award of a single cost-plus-fixed-fee indefinite-delivery, indefinite-quantity contract, with firm-fixed-price and cost-reimbursable contract line item numbers (CLINs), having an ordering period of 58 months. *Id.* at 4, 149, 171. Award would be made to the offeror whose proposal represented the best value to the government, considering four non-price factors--technical, small business participation, past performance, and experience--and cost/price. *Id.* at 170. The technical factor had three subfactors that would be equally weighted: management approach, technical approach, and compliance approach. *Id.* The technical factor--and its three subfactors--would be assigned an adjectival rating of outstanding, good, acceptable, marginal, or unacceptable. *Id.* at 170, 173-174. The other three non-price factors would be evaluated as acceptable or unacceptable. *Id.* at 170. Only proposals evaluated as at least acceptable under every factor and the technical factor's three subfactors would be considered for award. *Id.* at 170, 173. In the best-value tradeoff analysis, the technical factor was significantly more important than cost/price. *Id.* at 170.

As relevant to this protest, the RFP advised offerors that cost/price proposals would be "evaluated in accordance with the price and cost criteria in [Federal Acquisition Regulation (FAR)] 15.404-1 as determined necessary by the Contracting Officer based on competition and other factors." *Id.* at 166. The objective of the cost/price proposal analysis was "to ensure that all proposed costs are fair, reasonable and realistic." *Id.* The RFP further advised that "the analytical techniques and procedures described in FAR 15.404-1 may be used singly or in combination with others to ensure the costs are fair and reasonable," and that a cost realism analysis would only be performed on cost reimbursable CLINs. *Id.*

¹ Citations to the record use the Adobe PDF or Microsoft Word pagination of documents or to the relevant worksheet tab and cell number for Microsoft Excel documents produced in the agency report. Furthermore, the RFP was amended 11 times; all references to the RFP are to the final conformed version provided in the agency report, unless otherwise noted.

The RFP required each offeror to provide “sufficient quantitative and narrative documentation necessary to adequately support and explain the reasonableness and realism of the proposed cost/price proposed.” *Id.* at 166. To facilitate a consistent and fair evaluation, the Army included a Microsoft Excel workbook titled “[Level of Effort (LOE)] Spreadsheet” as attachment 5; the spreadsheet itemized the required cost elements in accordance with FAR section 15.408, Table 15-2. *Id.*

The RFP included detailed instructions regarding the cost elements to be included in cost/price proposals. As relevant here, the RFP provided the minimum acceptable direct labor rates for all professional labor categories and warned offerors that rates below the government rates may be considered ineligible for award. *Id.* at 167. The RFP also provided that direct labor rates that were based on collective bargaining agreements (CBAs) or Department of Labor (DOL) wage determinations were to be cross-referenced to the appropriate wage category in the CBA or DOL wage determination included in the RFP attachments. *Id.* Further, the RFP instructed offerors not to deviate from the LOE hours set forth in the LOE spreadsheet and advised that proposals deviating from government-provided hours would not be considered for award. *Id.* Additionally, the RFP required offerors to propose indirect rates, such as fringe benefits, overhead, and general and administrative expenses (G&A), with substantiating documentation. *Id.* at 168. The RFP also contemplated that offerors would apply escalation rates to professional labor categories exempt from any CBAs or DOL wage determinations. *Id.*

In addition, even though FAR provision 52.222-46 was not included in the RFP, the RFP stated that “[i]n support of the Evaluation of Compensation for Professional Employees, [in accordance with] FAR provision 52.222-46, the Offeror and its subcontractor(s) shall provide documentation and submit a total compensation plan setting forth salaries and fringe benefits proposed for the professional employees who will work under the contract.” *Id.* at 167.

The Army received proposals from three firms: ERC, TRAX, and Jacobs Tech., Inc., the incumbent. The Army evaluated proposals and awarded the contract to TRAX initially, and the incumbent contractor filed a protest of the decision with our office. GAO dismissed the protest when the agency proposed to take corrective action. See *Jacobs Tech., Inc.*, B-420361, B-420361.2, Jan. 25, 2022 (unpublished decision). The Army then made award to ERC and both unsuccessful offerors, TRAX and Jacobs, filed protests of the Army’s award. GAO dismissed both protests when the agency proposed to take corrective action to reevaluate offerors’ professional compensation plans in accordance with FAR provision 52.222-46 and make a new award decision. See *Jacobs Tech., Inc.*, B-420361.3, Dec. 13, 2022 (unpublished decision); *TRAX Int’l Corp.*, B-420361.4, B-420361.5, Dec. 13, 2022 (unpublished decision).

Following the Army’s reevaluation of compensation plans, the Army awarded the contract to ERC for a second time on the basis that ERC’s evaluated most probable cost was lower than TRAX’s. AR, Tab 8I, Source Selection Authority (SSA) Decl., May 5, 2023 at 2. In this connection, the SSA concluded that TRAX and ERC submitted

technically comparable proposals and TRAX did not have any strengths that warranted paying a price premium. *Id.* Again, TRAX protested the agency’s award decision. GAO sustained TRAX’s protest and recommended that the Army conduct meaningful discussions; request revised proposals; evaluate them consistent with the decision and the RFP; and perform a new best-value tradeoff analysis. *TRAX Int’l Corp.*, B-420361.7, B-420361.8, June 28, 2023, 2023 CPD ¶ 162 at 20.

After we sustained the protest, the Army amended the solicitation to add minimum direct labor rates and entered into discussions with offerors. The agency advised that final proposal revisions (FRPs) were limited to evaluation notice (EN) responses and updated cost/price proposals. AR, Tab 12a, ERC ENs & Req. for FPRs at 1; AR, Tab 13a, TRAX ENs & Req. for FPRs at 1. All three firms submitted revised proposals. The Army evaluated offerors’ revised cost/price proposals and reconvened the source selection evaluation board (SSEB), which briefed the source selection advisory council (SSAC) and the SSA. Contracting Officer’s Statement (COS) at 9. The table below summarizes the agency’s evaluation:

Factor/Subfactor	ERC	TRAX
Technical	Good	Good
Management Approach	Outstanding	Good
Technical Approach	Good	Good
Compliance Approach	Acceptable	Good
Small Business Participation	Acceptable	Acceptable
Past Performance	Acceptable	Acceptable
Experience	Acceptable	Acceptable
	\$694,221,562	\$692,886,684
Cost/Price	Reasonable and Realistic Cost	Reasonable and Realistic Cost

AR, Tab 14g, Source Selection Decision (SSD) at 7; AR, Tab 14f, SSAC Memo. at 3; AR, Tab 14e, SSEB Rept., Oct. 30, 2023 at 3. The SSA noted that the ratings for the non-price factors did not change upon reevaluation. AR, Tab 14g, SSD at 7-8. In this regard, no offeror submitted a revised technical proposal. ERC updated its small business participation proposal based on its revised cost/price proposal, and TRAX submitted FPRs updating its small business participation, past performance, and experience proposals in accordance with its EN responses and revised cost/price proposal. AR, Tab 14e, SSEB Rept., Oct. 30, 2023 at 25-26, 43.

The SSAC observed that all offerors were rated good for the technical factor and that TRAX had the lowest cost/price proposal, followed by ERC and then the incumbent contractor. AR, Tab 14f, SSAC Memo. at 4. The SSAC also stated that “[n]either

ERC's nor [the incumbent contractor's] proposal justified paying the additional cost" and it recommended award to TRAX. *Id.*

In the source selection decision, the SSA explained that his decision was based on his review of the SSEB's reviews and reports, and his "integrated assessment and comparison of the strengths, weaknesses, and risks of the proposals." AR, Tab 14g, SSD at 1. The SSA noted the strengths that the Army identified in ERC's and TRAX's proposals. *Id.* at 8. The SSA then considered "the potential benefits of the strengths and the merits of each proposal as a whole" and concluded that "[n]one of the strengths in ERC's []proposal justified paying the additional cost" of approximately \$1.3 million for ERC's proposal.² *Id.* at 9. The SSA concluded that considering the final evaluation results, no tradeoff would be conducted and that TRAX's proposal represented the best value to the government. *Id.*

On December 15, 2023, the Army notified ERC of the award to TRAX. AR, Tab 15a, ERC Unsuccessful Offeror Letter at 1. This protest followed.

DISCUSSION

ERC challenges several elements of the Army's cost evaluation and best-value determination.³ With regard to the cost evaluation specifically, the protester argues that the agency's evaluation of offerors' total compensation plans was based on the wrong cost proposals. Second, ERC argues that the Army unreasonably evaluated TRAX's low escalation rate as acceptable. Third, ERC argues that the Army improperly failed to consider whether offerors' revised cost proposals were consistent with their technical approaches. Fourth, the protester contends that the Army never meaningfully evaluated whether TRAX's G&A rates were realistic. For the reasons that follow, we deny the protest.⁴

² The SSA similarly concluded none of the incumbent offeror's strengths warranted the additional cost of its proposal. AR, Tab 14g, SSD at 9.

³ As the protester's challenges are limited to the Army's cost analysis for the cost/price factor, in this section of the decision we only use the term "cost" with regard to the cost/price factor and proposals.

⁴ To the extent that our decision does not address every collateral argument ERC raises, we have reviewed them and find no basis to sustain the protest. For example, ERC alleged that "[a]lthough it is impossible to say for sure given the heavy redactions to the Cost Report, the Army's evaluation of TRAX's revised cost proposal likely suffered from the same failings as its evaluation of ERC's," *i.e.*, that the agency evaluated the wrong proposal. Consolidated & Supp. Protest at 26. We dismiss this allegation because it is based entirely on speculation as to the contents of the Army's cost evaluation report, which does not provide a sufficient factual basis for a protest ground. See *Mark Dunning Indus., Inc.*, B-413321.2, B-413321.3, Mar. 2, 2017, 2017 CPD ¶ 84 at 2.

In reviewing protests of an agency's evaluation and source selection decision, we do not reevaluate proposals; rather, we review the record to determine whether the evaluation and source selection decision are reasonable and consistent with the solicitation's evaluation criteria and applicable procurement laws and regulations. *A-P-T Research, Inc.*, B-419459, Mar. 12, 2021, 2021 CPD ¶ 151 at 4. A protester's disagreement with the agency's judgment, without more, is not sufficient to establish that an agency acted unreasonably. *Id.*

Total Compensation Plan--Evaluation of Wrong Proposals

ERC challenges the Army's evaluation of ERC's total compensation plan, arguing the Army evaluated the wrong proposal and thus, the Army's evaluation is unreasonable. Consolidated & Supp. Protest at 25-26. ERC argues that its revised cost proposal increased fringe benefits for its professional employees and that the increased benefits were not reflected in the redacted cost evaluation report ERC received with its debriefing. *Id.* In this regard, ERC contends it "increased its employer contribution to the medical insurance plan from [DELETED] [percent] to [DELETED] [percent]"; "increased its maximum 401(k) employer match from [DELETED] [percent] to [DELETED] [percent]"; and "increased the number of paid Federal holidays from [DELETED] to [DELETED] (adding Juneteenth)," but that the cost evaluation report referenced the benefits in its older cost proposal submitted in June 2022. *Id.* Specifically, the agency's cost evaluation report references a [DELETED] percent employer contribution to medical insurance, a [DELETED] percent retirement savings plan match, and [DELETED] federal holidays. In ERC's view, the incorrect references demonstrate the Army failed to evaluate ERC's revised cost proposal or only cursorily reviewed it. *Id.* at 26.

The Army responds that even though it "inadvertently neglected to update the narrative in the Cost/Price evaluation report with the changes included in ERC's revised proposal," the other information included in the report, in particular Table 5: Labor Cost Breakout and Table 6: Total Compensation Plan Hourly Value, demonstrates that the agency properly evaluated ERC's revised cost proposal. COS at 11-12; AR, Tab 14bb at 9-10; AR, Tab 13zy, TRAX LOE Spreadsheet, Sept. 25, 2023, tab Direct Labor Rate Schedule. The contracting officer explains that the Army used information from ERC's LOE spreadsheet, submitted with ERC's revised cost proposal on September 25, 2023, to create the tables used in the agency's evaluation of total compensation plans. According to the contracting officer, this shows the agency properly evaluated ERC's revised cost proposal from September 2023 and not its earlier proposal. COS at 11-12; see also AR, Tab 12n, ERC LOE Spreadsheet, Sept. 25, 2023, Tab Fringe Benefit Worksheet. The agency also argues that even if it had mistakenly evaluated an earlier version of ERC's cost proposal, the RFP only required the agency to determine whether ERC's total compensation plan was adequate, which the Army did, and therefore, any error would not change the outcome of the evaluation. COS at 12-13; Memorandum of Law (MOL) at 14-15.

Based upon our review of the record, we see no reason to object to the agency's evaluation here. While the contracting officer admits that the agency failed to revise the cost evaluation report narrative to reflect the contents of ERC's revised cost proposal, it is also apparent that the agency used ERC's revised cost information in its evaluation. The tables in the cost evaluation report list the cost information from ERC's proposal revisions. Compare AR, Tab 14bb, Cost Evaluation Rpt. at 9-10, with AR, Tab 12n, ERC LOE Spreadsheet, Sept. 25, 2023, tab Fringe Benefit Worksheet, and AR, Tab 12k, ERC Cost Narrative Changes, Sept. 25, 2023 at 17. In addition, the cost evaluation report includes an average direct labor rate and an average fringe rate for ERC that reflect the revisions to ERC's cost proposal. AR, Tab 14bb, Cost Evaluation Rpt. at 11. Because the record here demonstrates that the agency did in fact consider the contents of ERC's revised cost proposal, we find ERC's allegation to be without merit. See, e.g., *Torden, LLC*, B-421404.7, Dec. 14, 2023, 2024 CPD ¶ 7 at 4 n.6 (denying allegation that the agency failed to reevaluate the protester's proposal when the agency inadvertently omitted the updated technical evaluation in the updated SSD but demonstrated that the updated technical evaluation took place and that it was considered in the award decision).

Moreover, even assuming for argument's sake that the agency did not evaluate ERC's revised cost proposal, and instead evaluated an earlier, outdated cost proposal, we have no basis on which to sustain the protest ground because ERC has failed to demonstrate it was prejudiced by this error. Competitive prejudice is an essential element of a viable protest; where the protester fails to demonstrate that, but for the agency's actions, it would have had a substantial chance of receiving the award, there is no basis for finding prejudice, and we will not sustain the protest, even where flaws in the procurement have been shown. *Armorworks Enters., LLC*, B-400394.3, Mar. 31, 2009, 2009 CPD ¶ 79 at 3.

Pursuant to FAR provision 52.222-46, Evaluation of Compensation for Professional Employees, the RFP instructed offerors to submit a total compensation plan that "reflects a sound management approach and understanding of the contract requirements." Conformed RFP at 167-168. The RFP also provided that cost would not be rated and no adjectival ratings would be used in the cost evaluation. *Id.* at 166, 177. The Army determined that ERC's compensation plan with a [DELETED] percent employer-funded medical share, a [DELETED] percent 401(k) retirement employer match, and [DELETED] paid federal holidays was adequate to demonstrate ERC's ability to retain employees. AR, Tab 14bb, Cost Evaluation Rpt. at 9-10. ERC's revised cost proposal offers more benefits than those the Army determined were adequate, so ERC's revised cost proposal would also be considered adequate, which was the most favorable rating possible given that the RFP's evaluation criteria do not provide a bonus for an enhanced benefits package.

In sum, we find that any alleged failure on the part of the Army to evaluate ERC's revised cost proposal did not have an impact on ERC's competitive position. As a result, we find that ERC was not competitively prejudiced and we have no basis to sustain this protest ground.

Cost Realism

As noted above, ERC also argues that the Army's cost realism evaluation was unreasonable in a number of areas--TRAX's escalation rates, consistency between cost/technical proposals, and TRAX's G&A rates. We discuss each of these areas below and find that none of the protester's challenges provides a basis to sustain the protest.

When an agency evaluates a proposal for the award of a cost-reimbursement contract, an offeror's proposed estimated costs are not dispositive because, regardless of the costs proposed, the government is bound to pay the contractor its actual and allowable costs. FAR 15.305(a)(1); 15.404-1(d); *ERC, Inc.*, B-404721, B-404721.2, Apr. 19, 2011, 2011 CPD ¶ 94 at 4. Consequently, the agency 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 15.404-1(d)(1). An agency is not required to conduct an in-depth cost analysis, see FAR 15.404-1(c), or to verify each and every item in assessing cost realism; rather, the evaluation requires the exercise of informed judgment by the contracting agency. *ERC, Inc., supra*. An agency's cost realism analysis need not achieve scientific certainty; rather, the methodology employed must be reasonably adequate and provide some measure of confidence that the rates proposed are reasonable and realistic in view of other cost information available to the agency as of the time of its evaluation. *Id.* Consequently, our review of an agency's cost realism evaluation is limited to determining whether the cost analysis is reasonably based and not arbitrary. *Tridentis, LLC*, B-410202.2, B-410202.3, Feb. 24, 2015, 2015 CPD ¶ 99 at 7.

TRAX's Escalation Rate

ERC alleges that TRAX's escalation rate for future wages is too low and that the Army did not meaningfully consider whether TRAX's rate would be sufficient to recruit and retain professionals for the contract. Consolidated & Supp. Protest at 27-29. In this regard, ERC argues that TRAX's rate is lower than the relevant Bureau of Labor Statistics (BLS) wage index rate, which is 1.90 percent, and will lead to performance risk from high staff turnover. Comments & 2nd Supp. Protest at 26. ERC argues that inflation will outpace TRAX's proposed escalation rate and that TRAX's professionals will therefore face pay cuts as they continue to work on the contract, which will force the Army either to accept poor performance resulting from high employee turnover or pay TRAX more than estimated. *Id.* at 27. ERC contends that the Army was required to consider this performance risk in the cost realism evaluation of escalation rates, and the Army did not. *Id.* Based on our review of the record, we find no basis to sustain the protest.

The RFP provided that offerors were only allowed to propose escalation for professional labor categories exempt from CBAs or DOL wage determinations, which have their own annual adjustments. Conformed RFP at 168. ERC proposed an annual escalation rate of [DELETED] percent for professional staff. AR, Tab 14bb, Cost Evaluation Rpt. at 13;

see *also* AR, Tab 12n, ERC LOE Spreadsheet, Sept. 25, 2023, Tab Direct Labor Rate Schedule. TRAX proposed an average escalation rate of [DELETED] percent, which was part of a “[DELETED] escalating exempt wages over the five-year contract period,” and which TRAX explained had been a successful approach to controlling costs on another recent contract in the same geographical area. AR, Tab 14bb, Cost Evaluation Rpt. at 13; see *also* AR, Tab 6g, TRAX Cost Narrative Changes, June 1, 2022 at 13; AR, Tab 13zy, TRAX LOE Spreadsheet, Sept. 25, 2023, Tab Direct Labor Rate Schedule. The Army considered the difference between these escalation rates to be negligible and both rates “were within the general range of the [BLS] Employment Cost Index [(ECI)]”. COS at 15.

We find nothing objectionable about the Army’s cost realism analysis here. The record shows the agency reasonably considered TRAX’s escalation rate, compared it to rates proposed by other offerors, and found TRAX’s rate realistic. In this connection, TRAX’s average escalation rate of [DELETED] percent--and even its lowest yearly rate of [DELETED] percent--are comfortably within the range of escalation rates offerors proposed ([DELETED] percent to [DELETED] percent), as required by FAR provision 15.404-1(c)(2)(iii)(C).⁵ In any case, ERC has not demonstrated why a [DELETED] percent escalation rate is presumptively unrealistic. The agency reasonably accepted TRAX’s explanation for [DELETED] its escalation rates over the life the of the contract and therefore, ERC has not demonstrated that TRAX’s escalation rate is too low.

ERC also complains the record does not show any meaningful consideration of the escalation rates. Consolidated & Supp. Protest at 27. As noted above, agencies are not required to conduct an in-depth cost analysis or achieve scientific certainty in their analysis. The cost evaluation report includes tables listing the offerors’ escalation rate information and it is clear the agency understood TRAX’s proposed escalation approach, as evidenced by the development of an average escalation rate for TRAX. AR, Tab 14bb, Cost Evaluation Rpt. at 13. Moreover, the agency considered historical escalation rates for the labor categories for this procurement when developing the minimum direct labor rates for this solicitation, demonstrating that the Army understands escalation rates and factors impacting them. See AR, Tab 18, ATSS Justification for Direct Labor Rates. In other words, the agency’s evaluation demonstrates informed judgment and the methodology used is reasonably designed to provide confidence that the rates proposed are realistic. We therefore find no basis to sustain this protest ground. See, *e.g.*, *MacAulay-Brown, Inc.*, B-292515, B-292515.2, Sept. 30, 2003, 2003 CPD ¶ 190 at 8 (finding that the agency evaluation, which did not mention the awardee’s lower escalation rate, was not unreasonable because the evaluators conducted a “comprehensive and reasonable” cost analysis).

Moreover, even assuming we found that the agency unreasonably evaluated TRAX’s escalation rate, which we do not, ERC cannot show it was competitively prejudiced. As

⁵ The incumbent offeror proposed an escalation of rate [DELETED] percent. AR, Tab 14e, SSEB Rept., Oct. 30, 2023 at 68.

noted above, competitive prejudice is an essential element of every viable protest. *Armorworks Enters., LLC, supra*. Here, based on our review of the record, and ERC's own calculations, an upward adjustment to TRAX's escalation rate would not have resulted in ERC having the lowest-priced proposal. According to ERC, using the same [DELETED] percent escalation rate that it proposed, TRAX's total cost proposal would have increased by \$485,000, meaning that even if TRAX's escalation rate is replaced with the protester's higher rate, TRAX's total proposed cost remains lower than the ERC's. The competitive position of the offerors would remain unchanged and ERC cannot show it would have a substantial chance of receiving award. Because ERC has not demonstrated it was prejudiced by TRAX's use of an escalation rate that ERC contends is unrealistic, any alleged defects in the agency's cost realism analysis provide no basis on which to sustain the protest and we deny this protest ground. See, e.g., *Information Int'l Assocs., Inc.*, B-416826.2 *et al.*, May 28, 2019, 2019 CPD ¶ 200 at 8.

Consistency Between Cost and Technical Proposals

ERC also argues that the Army's cost realism evaluation unreasonably failed to consider whether the offerors' revised cost proposals were consistent with their technical approaches. The protester contends that the agency was required to perform a cost/technical crosswalk with offerors' revised cost proposals and the Army's reliance on its earlier cost/technical crosswalk was irrational. Consolidated & Supp. Protest at 30-31.

In response, the Army contends that it previously conducted a reasonable cost/technical crosswalk, which found that each offeror's costs were consistent with its technical proposal. MOL at 18. The Army argues that because no offeror submitted a revised technical proposal and the cost proposal revisions did not affect the offerors' technical approaches, it was unnecessary to conduct a new crosswalk. *Id.* at 18-19; COS at 16-17. The contracting officer explains that the offerors' revised cost proposals addressed the minimum direct labor rates set forth in the amended RFP, as well as changes to indirect rates and fee. COS at 16-17. The contracting officer explains further that as "[n]one of these changes require an associated update to the [t]echnical proposal . . . there was no reason to perform another crosswalk." *Id.* at 17.

On this record, we find it unobjectionable for the agency to decide not to perform a new crosswalk with the offerors' revised cost proposals. The RFP here provided minimum direct labor rates, identified required labor categories, specified each labor category's level of effort, and detailed other direct costs, thereby precluding the opportunity for revised costs to affect an offeror's technical approach. Conformed RFP at 166-167. In essence, the RFP eliminated much of the ability for offerors to propose unique technical

approaches.⁶ Furthermore, in October 2022, during the Army's second corrective action, the evaluators prepared a cost/technical crosswalk that analyzed the consistency between the technical and cost proposals; the agency concluded that the offerors' technical approaches were consistent across their proposals. AR, Tab 5d, SSEB Rept., Oct. 12, 2022 at 103-105, 107-108. Since that evaluation, none of the offerors revised their technical proposals and none of the offerors' updates to their cost proposals affected their performance methods. Under the circumstances here, we have no basis to sustain this protest ground. See, e.g., *Sabre Sys., Inc.*, B-420090.3, June 1, 2022, 2022 CPD ¶ 137 at 4 n.1 (finding that the agency reasonably decided that it was not necessary to compare proposed costs against offerors' technical approaches to evaluate cost realism when the RFP restricts offerors' ability to propose unique technical approaches that may affect costs).

TRAX's Fringe Rates

ERC asserts that TRAX reduced its fringe rates in its revised cost proposal, and that the Army never considered whether the lower fringe rates were consistent with TRAX's proposed approach to recruiting and retaining qualified professionals. Comments & Supp. Protest at 6. Specifically, ERC contends that TRAX's fringe rates were lower than the incumbent's fringe rates and that the reduced rates were the result of changes to TRAX's workers' compensation costs. *Id.* at 13-16. ERC argues that because the Army never considered whether TRAX could realistically cut its fringe rates without impacting its technical approach, *i.e.*, recruiting and retaining professionals, the agency's evaluation was unreasonable. *Id.* at 14-16.

The Army explains that the decrease in TRAX's fringe rate is the result of an increase in its direct labor rates. Supp. COS at 6; Supp. MOL at 5. The Army also explains that the difference between TRAX's fringe rate and the incumbent's rate is less than 10 percent and that "[w]hat matters is how the fringe costs contribute to the compensation plan and total labor costs." *Id.*

The record reflects that TRAX's total fringe cost actually increased in its revised proposal, and that the increase was attributable to the government amending the solicitation to provide minimum direct labor rates. Compare AR, Tab 6g, TRAX Cost Narrative Changes, June 1, 2022 at 15, with AR, Tab 13zw, TRAX Cost Narrative Changes, Sept. 25, 2023 at 15. The record further reflects that when the Army evaluated offerors' total compensation plans, the Army considered offerors' average fringe rates in its analysis and found TRAX's proposed hourly fringe rate was [DELETED] percent less than the incumbent's. AR, Tab 14bb, Cost Evaluation Report

⁶ Offerors were not, however, as restricted with management labor and key personnel. The RFP provided that management labor costs would be part of the offerors' indirect rates and required offerors to allocate these costs to the ATSS contract only and across all labor categories but otherwise offerors were to "propose the total number of [mission support managers] they estimate are needed to properly manage the work." Conformed RFP at 10, 147, 168.

at 10-11. The agency considered the range in offerors' hourly compensation pricing to be realistic because the agency "provided minimum direct labor rates to reduce retention risk" and found each offeror's compensation package acceptable. *Id.* at 10. In light of the BLS ECI of 5 percent, the agency determined that variances of up to 5 percent, upward or downward, from the incumbent's rates were reasonable. *Id.* at 11. The agency concluded therefore that TRAX's compensation plan was adequate and demonstrated the ability to retain employees.

Here, we find that the agency meaningfully considered ERC's fringe rate as part of its evaluation of total compensation plans. In evaluating an offeror's fringe benefits, our Office has explained that an agency need not ensure that offerors match the exact fringe rate of the incumbent, so long as the agency reasonably concludes that the offeror's overall compensation package is realistic. *Target Media Mid Atlantic, Inc.*, B-412468.8, June 27, 2017, 2017 CPD ¶ 208 at 8. The agency evaluated total compensation plans, which included among other things, an assessment of health insurance, paid time off, retirement plans, education assistance, and employee bonuses, and reasonably considered the offerors' proposed benefits to be adequate for recruitment and retention. Overall, the agency concluded the total compensation plans were realistic. AR, Tab 14bb, Cost Evaluation Rpt. at 10-11. On this record, we see no basis to find the agency's analysis unreasonable.

To the extent that ERC argues that TRAX's reduced fringe rates were the result of changes to TRAX's workers' compensation costs and that the agency's failure to analyze the realism of TRAX's proposed cost for workers' compensation insurance was unreasonable, we find its allegation to be without merit. Supp. Comments at 11-12. Workers' compensation is an element of fringe rates and as the agency is not required to perform a separate cost realism evaluation for fringe rates, the agency is also not required to perform a separate analysis of the cost elements that make up the fringe rate. See *Target Media Mid Atlantic, Inc.*, *supra* at 9; *MicroTechnologies, LLC*, B-413091.4, Feb. 3, 2017, 2017 CPD ¶ 48 at 9 (recognizing that FAR provision 52.222-46 does not require an agency to find that both an offeror's proposed fringe benefits and salary are, independently, realistic but rather the provision requires an agency to assess whether an offeror's proposed "total compensation" is realistic); see *also* FAR 52.222-46(a). On this record, we find no basis to conclude that the Army's evaluation was unreasonable.

ERC also suggests that because TRAX did not include in its proposal the rate quotation from its worker's compensation insurer, TRAX misled the agency. ERC speculates that TRAX requested but did not receive the lower workers' compensation rate that it included in its proposal.⁷ Supp. Comments at 12. ERC has provided no evidence to support this assertion and we dismiss this allegation because it is based entirely on speculation and does not provide a sufficient factual basis for a protest ground. See *Mark Dunning Indus., Inc.*, *supra*.

⁷ ERC did not explain its workers' compensation rate in its proposal or provide a copy of its insurance quote either. Supp. COS at 6.

As a final point, the protester also argues that the workers' compensation rate an offeror negotiates with its insurance provider will have some impact on the offeror's ability to recruit and retain professionals and therefore this must be considered in the agency's cost realism analysis. We find this argument to be without merit. Workers' compensation is a state-mandated benefit to professionals; employers are required to carry workers' compensation insurance for certain employees. See Workers' Compensation: Action Needed to Reduce Payment Errors in SSA Disability and Other Programs, May 2001, GAO-01-367 at 7. Employees eligible to receive workers' compensation benefits receive the amount dictated by the state regardless of the rate its employer negotiated with the insurance carrier. There is no support in the record for the assertion that professionals choose their employers based on the employers' workers' compensation insurance rates. Accordingly, we find no basis to sustain this protest ground.

TRAX's G&A Rates

In its final challenge to the Army's cost realism evaluation, ERC contends that the Army did not meaningfully consider TRAX's G&A rates and therefore the evaluation was unreasonable. Comments & 2nd Supp. Protest at 18-26. The protester argues that TRAX artificially inflated its G&A pool base such that its G&A rate reductions were false. *Id.* at 19. ERC identifies three issues with TRAX's G&A rates: (1) the G&A rates proposed in TRAX's revised September 2023 cost proposal were lower than the G&A rates proposed in its June 2022 proposal; (2) in its revised proposal, TRAX reduced local G&A rates while increasing corporate home office G&A costs; and (3) TRAX has an unexplained infusion of \$73.9 million to its G&A pool base. *Id.* at 23-24. For the reasons that follow, we find no basis on which to sustain the protest.

The RFP provided that in their LOE spreadsheets, offerors were to include three years of historical rates to support their indirect rates, including fringe, overhead and G&A. Conformed RFP at 168. For each indirect expense, offerors were required to input pool and base information. *Id.*

The RFP was released in November 2020, and the proposals submitted in June 2022 reflected a period of performance from fiscal year (FY) 2021 to FY26. AR, Tab 6i, TRAX LOE Spreadsheet, June 1, 2022, tab Cost Summary at cell A5 (June 2, 2021 to June 1, 2026); AR, Tab 7m, ERC LOE Spreadsheet, June 1, 2022, Tab Cost Summary at cell A5 (Aug. 1, 2021 to July 31, 2026). Both ERC and TRAX submitted actual historical data from FY18, FY19, and FY20 and estimates for the contract period.⁸ AR, Tab 6i, TRAX LOE Spreadsheet, June 1, 2022, Tab G&A Rate Worksheet; AR, Tab 7m, ERC LOE Spreadsheet, June 1, 2022, Tab G&A Rate Worksheet. In contrast, the revised cost proposals submitted in September 2023 assumed a period of performance between March 1, 2024 and February 28, 2029, and included historical data from FY20, FY21, and FY22, and estimated through FY29. AR, Tab 13zy, TRAX LOE

⁸ ERC also included cost projections for FY27. AR, Tab 7m, ERC LOE Spreadsheet, June 1, 2022, Tab Cost Summary at column K.

Spreadsheet, Sept. 25, 2023, Tab G&A Rate Worksheet; AR, Tab 12n, ERC LOE Spreadsheet, Sept. 23, 2023, Tab G&A Rate Worksheet.

ERC first complains that TRAX's G&A cost elements decreased without explanation between its June 2022 proposal and its September 2023 proposal even though its allocated costs remained similar across the two proposals. According to ERC, this resulted in artificially low G&A rates in TRAX's revised proposal.⁹ Comments & 2nd Supp. Protest at 21, 23-24. In response, the Army contends that it meaningfully considered the offerors' G&A rates and its evaluation was reasonable. Supp. COS at 8-9; Supp. MOL at 6-11.

In this regard, the agency explains that it evaluated offerors' G&A allocated costs rather than their proposed G&A rates, which would be expected to fluctuate with changes to the G&A base pool. Supp. COS at 8. For example, the agency expected offerors' G&A rates to decrease in their September 2023 proposals because the Army amended the RFP to provide minimum direct labor rates, which the Army expected to increase offerors' G&A base pool above the pool submitted in the June 2022 proposal. *Id.* The agency explains that it calculated G&A rates for the offerors by dividing the total labor G&A costs by the total direct labor subtotal before G&A was applied; this resulted in a [DELETED] percent G&A rate for TRAX and a [DELETED] percent G&A rate for ERC. Supp. COS at 8-9; see *also* AR, Tab 14bb, Cost Evaluation Rpt. at 9. The agency also notes that TRAX's allocated total labor G&A costs were \$[DELETED] million, which is nearly [DELETED] ERC's G&A costs at \$[DELETED] million. Supp. COS at 9; see *also* AR, Tab 14bb, Cost Evaluation Rpt. at 9; AR, Tab 12n, ERC LOE Spreadsheet, Sept. 23, 2023, Tab Cost Summary at cell I45.

Based upon our review of the record, we conclude that the agency's analysis of TRAX's G&A rate was reasonable. As discussed above, the agency is not required to conduct an in-depth analysis or achieve scientific certainty. *ERC, Inc., supra*. Because offerors were able to consider an additional 15 months of information, as well as government-provided minimum direct labor rates, in developing revised cost proposals, it should come as no surprise that offerors' G&A rates would change in conjunction with actual cost experience and more information. At the time the Army evaluated the September 2023 revised proposals, the offerors had submitted two years of historical data for which the offerors had only provided estimated costs in the June 2022 proposals. The lower G&A rates that TRAX proposed in September 2023 reflect its actual costs over a different time period than the proposed costs in the June 2022 proposal. Comparing estimated G&A rates for different years, submitted at different times, based on different historical data, as ERC argues, would require an unreasonable "apples-to-oranges" comparison of offerors' costs. The protester has not

⁹ TRAX allocated \$[DELETED] million for total labor G&A costs in its June 2022 proposal, and \$[DELETED] million in its September 2023 revised proposal. AR, Tab 6i, TRAX LOE Spreadsheet, June 1, 2022, Tab Cost Summary at cell I45; AR, Tab 13zy, TRAX LOE Spreadsheet, Sept. 25, 2023, Tab Cost Summary at cell I45.

persuaded us that under the circumstances here, the agency's evaluation was unreasonable.

ERC also contends that TRAX's "unexplained reductions" to its "local" G&A costs and the increase in TRAX's home office G&A costs "suggest[]that TRAX may have artificially lowered the G&A costs that it can control (*i.e.*, those associated with the ATSS business segment) to offset increases to the home office costs that it cannot control."¹⁰

Comments & 2nd Supp. Protest at 24. ERC does not explain why such a reduction is unreasonable given the passage of time, and without more, we will not attribute to TRAX some nefarious explanation for the differences in its cost proposals. We dismiss this allegation because it is based entirely on speculation and does not provide a sufficient factual basis for a protest ground. *See Mark Dunning Indus., Inc., supra.*

Lastly, we turn to ERC's allegation that TRAX's lower G&A rates are attributable to an unexplained substantial increase in TRAX's G&A pool base in its revised cost proposal. Comments & 2nd Supp. Protest at 24. ERC complains that TRAX did not identify or explain the \$73.9 million in its revised proposal and argues that the agency was unaware of this increase in TRAX's G&A pool because the agency did not discuss it in the cost evaluation report. Supp. Comments at 20-21. In response, the Army explains that the \$73.9 million is a "reasonable pro rata extension of the ATSS base over the remaining seven months of Fiscal Year 2029," which is consistent with TRAX's G&A worksheet. Supp. MOL at 9-10; Supp. COS at 9; *see also* AR, Tab 13zy, TRAX LOE Spreadsheet, Sept. 25, 2023, Tab G&A Rate Worksheet, cell K24. The agency also explains that the pro rata calculation for the final year of the contract "is a common calculation in proposals and therefore, was[not] addressed in the [c]ost/[p]rice evaluation report." Supp. COS at 9. The Army further notes that ERC's cost proposal includes the same forecasted estimate for FY29. *Id.*; *see* AR, Tab 12n, ERC LOE Spreadsheet, Sept. 25, 2023, Tab G&A Rate Worksheet at rows 67-68.

Based upon our review of the record, we find the agency's evaluation is unobjectionable. The RFP provided that offerors were to "provide whatever supplemental information necessary to help the government understand why the proposed costs are reasonable and realistic. Conformed RFP at 167. TRAX's LOE spreadsheet included formulas that explained how costs were derived. Specifically, the cell containing \$73.9 million identified the formula "=K36/5*7," where K36 is TRAX's ATSS additional base cost and "/5*7" is the formula used to calculate the pro rata extension. AR, Tab 13zy, TRAX LOE Spreadsheet, Sept. 25, 2023, Tab G&A Rate Worksheet, cell K24. Furthermore, ERC used the same kind forecasted estimate in its proposal, to calculate an additional cost, \$82.7 million, for ERC's proposed extension of the ATSS base for the remainder of FY29. AR, Tab 12n, ERC LOE Spreadsheet, Sept. 23, 2023, Tab G&A Rate Worksheet at cell K68.

¹⁰ ERC identified the following G&A cost elements as "local" G&A costs: labor, fringe, travel, rental/leases, forecasted G&A. Consultant Check Decl. at 3 ¶¶ 10-11.

ERC further argues that since it identified the cost in its proposal as “ATSS Follow on” and TRAX did not, TRAX’s proposal is unexplained. Supp. Comments at 20-21. We disagree. A formula in an Excel spreadsheet is an explanation--a mathematical explanation. The agency understood TRAX’s formula; it was unnecessary for TRAX to provide supplemental information explaining it.

ERC also challenges the agency’s explanation as a *post hoc* analysis absent from the contemporaneous record that should not be credited to establish that the Army considered the \$73.9 million. Supp. Comments at 20. Our Office has stated, however, that post-protest explanations that provide a detailed rationale for contemporaneous conclusions, and simply fill in previously unrecorded details, will generally be considered where those explanations are credible and consistent with the contemporaneous record. See, e.g., *Raytheon Co.*, B-417731; B-417731.2, Oct. 3, 2019, 2019 CPD ¶ 350 at 8.

Here, we find the agency’s explanation to be consistent with the contemporaneous record. As noted above, an agency is neither required to conduct an in-depth cost realism analysis, nor verify each and every item in assessing cost realism. FAR 15.404-1(c). The contemporaneous record reflects the agency’s analysis of other elements of the offerors’ G&A rates upon which offerors proposed costs were found to be realistic. See AR, Tab 14bb, Cost Evaluation Rpt. at 9-10. The contracting officer explained that the forecasted G&A base for the remaining seven months of FY29 was a common calculation in proposals and so the cost evaluation report did not address it. We find the Army’s explanation simply fills in previously unrecorded details and provides a detailed rationale for its contemporaneous conclusions that our Office will consider. Accordingly, we have no basis not to consider it.

Finally, ERC argues that because TRAX did not adequately justify the lower G&A rates that it proposed in its September 2023 revised proposal, the Army should have adjusted TRAX’s G&A rates upward to the rates proposed in TRAX’s June 2022 proposal. Comments & 2nd Supp. Protest at 21. Assuming for the sake of argument, that the agency adjusted TRAX’s proposal to the June 2022 rates, as ERC suggests, TRAX’s cost would have only increased by \$1,286,856. *Id.* at 25; Supp. Comments at 21. ERC cannot show it is competitively prejudiced because, as ERC concedes, TRAX’s evaluated cost would still be \$48,022 lower than ERC’s. *Armorworks Enters., LLC*, *supra*.

ERC can only claim to be the lower-priced offeror with the G&A rate adjustment from TRAX’s June 2022 proposal if the agency also includes the increase to TRAX’s home office G&A costs from the September 2023 proposal. In other words, ERC wants the Army to use information from TRAX’s June 2022 proposal and its September 2023 proposal to calculate TRAX’s G&A rate for evaluation. Using this methodology, ERC argues, would have been reasonable and would have resulted in ERC being the lower-priced offeror to which the agency would have made the award. We are unpersuaded that ERC would have had a substantial likelihood of award. The analysis required to find ERC lower-priced than TRAX, and therefore competitively prejudiced, is tortured and speculative. We therefore deny this allegation.

In sum, we find that the agency reasonably evaluated ERC's total compensation plan and meaningfully considered the different elements of TRAX's cost proposal in the agency's determination that TRAX's cost was realistic. Accordingly, we deny ERC's challenges to the Army's cost evaluation.

Best-Value Tradeoff

ERC challenges the agency's source selection, arguing that the best-value analysis was based on the agency's unreasonable cost evaluation. Consolidated & Supp. Protest at 37-38. The protester further disputes the SSA's finding that the proposals were essentially equal and argues that the SSA did not meaningfully compare ERC's and TRAX's technical proposals against each other. ERC maintains that the SSA's analysis was inadequate because it failed to explain why ERC's proposal was not worth the \$1.3 million price premium. *Id.* at 38-41. ERC also suggests that the Army awarded the contract to TRAX after the most recent reevaluation in an effort to avoid further litigation from TRAX, which ERC asserts "is not a lawful or reasonable basis for award." Consolidated & Supp. Protest at 41-42. We disagree and address these arguments below.

At the outset, we find no basis to conclude that the Army awarded the contract to TRAX to avoid further litigation. Although ERC complains that the agency's evaluation reflects the Army's desire to avoid further litigation, the protester has provided no evidence of its allegations, other than to point to the agency's discussion of previous protests as part of the procurement history in the agency's evaluation documents. Moreover, the SSA affirmed that his "decision to select TRAX for this award was not based on a desire to avoid litigation, as [he] was confident that whichever firm lost this final round of the competition would likely protest the award." AR, Tab 2a, SSA Decl., Jan. 25, 2024 at 4.

Government officials are presumed to act in good faith, and a protester's contention that procurement officials are motivated by bias or bad faith must be supported by convincing proof; our Office will not consider allegations based on mere inference, supposition, or unsupported speculation. *Career Innovations, LLC*, B-404377.4, May 24, 2011, 2011 CPD ¶ 111 at 7-8. We have no basis to question the SSA's representations in this regard, nor has ERC's allegation met the threshold requirements for consideration. Accordingly, we find this allegation is without merit.

Next, we address ERC's allegation that the Army's best-value determination was unreasonable. In a negotiated procurement with a best-value evaluation plan where selection officials reasonably regard proposals as being essentially equal technically, cost properly may become the determining factor in making award, and it is not necessary to perform a cost/technical tradeoff. See *Verestar Govt. Servs. Grp.*, B-291854, B-291854.2, Apr. 3, 2003, 2003 CPD ¶ 68 at 7.

Here, although ERC contends that the agency did not meaningfully compare the differences between the proposals, the record demonstrates that the SSA reasonably determined that ERC and TRAX submitted essentially equal technical proposals and

properly relied upon cost as the determining factor in making the award. Specifically, the record demonstrates that the SSEB identified several strengths for each offeror as the basis for each offeror's overall rating of good for the technical factor. AR, Tab 14e, SSEB Rept. at 30-33, 47-54. The record also reflects that the SSA considered the underlying evaluation results from the SSEB's report, as well as the briefing from the SSEB, cost analyst, and the Army contracting command team, including the contracting officer, and that he made a selection decision based on his "integrated assessment and comparison of the strengths, weaknesses, and risks of the proposals submitted in response to the solicitation." AR, Tab 14g, SSD at 1; see *also* AR, Tab 2a, SSA Decl., Jan. 25, 2024 at 2-3.

Following discussions, neither ERC nor TRAX submitted revised technical proposals and therefore, as noted in the SSD, technical evaluation factor ratings did not change with the corrective action. AR, Tab 14g, SSD at 7, 9. In this regard, the SSA stated that after the Army took corrective action following our decision in *TRAX Int'l Corp.*, B-420361.7, B-420361.8, *supra*, the Army evaluated the revised proposals and "all three offerors[]maintained a [t]echnical rating of '[g]ood' and the remainder of the non-cost factors were rated '[a]cceptable.'" AR, Tab 14g, SSD at 7-9. The SSA provided an overview of earlier findings.

The SSA noted that the SSEB assigned four strengths to ERC under the management approach subfactor in the areas of recruitment, retention, and replacement; key personnel; contract management, and transition-in and transition-out plans; the evaluators concluded thus that this subfactor warranted a rating of outstanding. *Id.* at 8. ERC also received two strengths under the technical approach subfactor in the areas of technical execution and quality management planning, which warranted a rating of good. *Id.* No strengths were assigned to ERC under the third subfactor--compliance approach--and ERC was rated acceptable. *Id.*

The SSA also documented the SSEB's evaluation of TRAX's technical proposal. In this regard, TRAX received six strengths under the management approach subfactor for a rating of good; five strengths were assigned for key personnel and one strength was assigned for contract management. *Id.* For the technical approach subfactor, TRAX received one strength in the area of technical execution and was assigned a rating of good. *Id.* TRAX also received two strengths for its environmental and security compliance plans, which merited a rating of good for the compliance approach subfactor. *Id.*

The SSA considered all the strengths assigned to the proposals and evaluated their potential benefits and considered the merits of each proposal. *Id.* at 8-9. The SSA determined that none of the strengths in either ERC's proposal or the incumbent offeror's proposal warranted a price premium. *Id.* at 9. The SSA concluded that no tradeoff would be conducted and that TRAX's proposal was the best value as the lowest-priced proposal. *Id.*; AR, Tab 2a, SSA Decl., Jan. 25, 2024 at 3-4.

The SSA contends that his “previous assessment of ERC[’s] and TRAX’s strengths and merits”--in response to TRAX’s earlier protest--“is still accurate.” AR, Tab 2a, SSA Decl., Jan. 25, 2024 at 3. In that previous assessment, he concluded that while the SSEB assigned six strengths to ERC for two subfactors--management approach and technical approach--and assigned nine strengths to TRAX for all three subfactors--management approach, technical approach, and compliance approach--the proposals were “technically comparable.” AR, Tab 8l, SSA Decl., May 5, 2023 at 2. The SSA observed that six of TRAX’s strengths were related to key personnel under the management approach subfactor and concluded that “[w]hile TRAX had more strengths than ERC, ERC’s strengths covered more aspects of the requirements” and that “[s]ince both proposals offered essentially equal technical merit, [he] determined that no tradeoff was necessary since ERC was at least as highly rated as TRAX.”¹¹ *Id.*

While ERC argues the SSA’s declaration is a *post hoc* rationale explaining the agency’s reevaluation that is inconsistent with the contemporaneous record and should be disregarded, Comments & 2nd Supp. Protest at 37, we find nothing objectionable with the information the Army provided. The SSA’s declaration here is consistent with his declaration in the earlier protest that provided an explanation for his decision to make an award to ERC, the lowest-cost offeror. The SSA’s declaration fills in previously unrecorded details consistent with the contemporaneous record and demonstrates there was a reasonable basis for the agency to decide that ERC and TRAX submitted technically comparable proposals. As stated earlier, our Office will generally consider post-protest explanations under these circumstances. See, e.g., *Raytheon Co.*, *supra*.

ERC also asserts that its proposal is superior to TRAX’s proposal because it received a rating of outstanding for the management subfactor whereas TRAX received a rating of good. We find this argument to be meritless. It is clear from the record that the agency reasonably evaluated and repeatedly concluded that ERC’s and TRAX’s technical proposals were essentially equal notwithstanding any differences in the adjectival ratings for individual subfactors.¹² Since no tradeoff was required, the Army’s decision

¹¹ We note that in the SSA declaration in May 2023, the SSA erroneously states that TRAX received six strengths for key personnel, when it was only five strengths. Compare AR, Tab 8l, SSA Decl., May 5, 2023 at 2, with AR, Tab 5d, SSEB Rept., Oct. 12, 2022 at 69-73 (showing 6 total strengths for technical approach and detailing 5 strengths for key personnel). This error does not affect the SSA’s analysis. Whether there were five or six strengths, the record is clear that the SSA discounted the quantity of strengths assigned to TRAX for key personnel as not making TRAX’s proposal qualitatively superior to ERC’s.

¹² While ERC received a higher rating than TRAX for the management subfactor, ERC received a lower rating--a rating of acceptable--than TRAX for the compliance subfactor, which received a rating of good. The protester cannot reasonably argue that its proposal is superior to TRAX because it received a higher rating on one subfactor and disregard TRAX’s superiority in another subfactor where ERC received a lower rating when, as here, all subfactors are weighted equally.

to make cost the deciding factor was fully consistent with the solicitation, and we see no basis to conclude that the agency's source selection decision was improper.¹³

Finally, to the extent the protester challenges the best-value award decision on the basis that the agency's underlying cost evaluation was unreasonable, we dismiss the argument. As stated above, we find no merit to the protester's challenges to the agency's cost evaluation. The challenge to the best-value award decision is derivative of the allegations we have found to be without merit. Accordingly, it does not establish an independent protest ground and is dismissed. *DirectViz Sols., LLC*, B-417565.3, B-417565.4, Oct. 25, 2019, 2019 CPD ¶ 372 at 9.

In summary, based on this record, we find no basis to sustain the protest. We conclude that the Army's cost evaluation was reasonable, as was the agency's determination that ERC and TRAX submitted essentially equal technical proposals. It was therefore unobjectionable for the Army to determine that the lowest-cost proposal represented the best value without a tradeoff analysis even where the difference in cost was small.

The protest is denied.

Edda Emmanuelli Perez
General Counsel

¹³ We note that only were we to find that both the Army's evaluation of TRAX's escalation rates and its G&A rates were unreasonable, which we do not, would TRAX's cost advantage over ERC be erased. In that connection, TRAX's proposed cost would be increased by an upward adjustment of \$485,000 for escalation rates and \$1,286,856 for G&A rates, for a total of upward adjustment of \$1,771,856, raising TRAX's cost to \$694,658,540. ERC's proposed cost, \$694,221,562 would then be \$436,978 lower than TRAX's. As explained above, however we do not find that either cost realism evaluation was unreasonable; therefore, we have no basis on which to sustain the protest.