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# Decision

**Matter of:** Kratos Defense & Rocket Support Services, Inc.

**File:** B-423376; B-423376.2; B-423376.3

**Date:** June 12, 2025

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Paul N. Wengert, Esq., and Tania Calhoun, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

## DIGEST

Protest that agency misevaluated quotations and made an unreasonable source selection decision to issue task order to higher-rated and higher-cost vendor is denied where the record shows the evaluation was reasonable and consistent with law, regulation, and the terms of the solicitation.

## DECISION

Kratos Defense & Rocket Support Services, Inc., of San Diego, California, protests the issuance of a task order to Salient CRGT, Inc., of Fairfax, Virginia, under request for quotations (RFQ) No. N0018924R3085, issued by the Department of the Navy, Naval Supply Systems Command, for educational support services and logistical support services for the Royal Saudi Naval Forces (RSNF) at multiple locations in the Kingdom of Saudi Arabia. Kratos contends that the Navy misevaluated quotations and made an unreasonable source selection decision.

We deny the protest.

## BACKGROUND

The Navy issued the RFQ on July 25, 2024, to firms holding the Navy's SeaPort Next Generation multiple-award indefinite delivery, indefinite quantity (IDIQ) contracts, and designated the procurement a fair opportunity competition pursuant to Federal

Acquisition Regulation (FAR) section 16.505(b). Agency Report (AR), Tab 1, RFQ amend. 3 at 5.<sup>1</sup> The RFQ contemplated the issuance of a cost-plus-fixed-fee task order for a base year and four option years, plus an option for 15 days of demobilization services to facilitate a transition to a successor contractor. AR, Tab 1, RFQ at 52. The RFQ incorporated a performance work statement (PWS) that described the scope of the task order as assisting the Naval Education and Training Security Assistance Field Activity (NETSAFA) by providing RSNF support services that would include training and education, engineering, technical, and management support. *Id.* at 16. These services are to focus on improving the effectiveness and efficiency of directly supporting “the RSNF’s objective to remain the dominant Naval Force within the Middle East,” and are to include support for “all levels of in-Kingdom RSNF training and other logistical and advisory support.” *Id.*

The RFQ provided for quotations<sup>2</sup> to be evaluated under three factors. The first, performance approach, was more important than the second, past performance, and together those were more important than the third, cost. RFQ at 51. The successful vendor would be selected using a best value tradeoff among those factors. *Id.*

For the performance approach factor, the RFQ instructed vendors to describe the firm’s approach only under five specific PWS task elements, four of which are relevant here:

- PWS 1.1.2, which required the vendor to manage teams of task order support personnel at multiple geographically dispersed locations.
- PWS 2.1.1.1, which required the vendor to “[a]ssist the RSNF in the establishment of a central Curriculum Management organization within the Learning Education Center in Riyadh with a focus on Learning Standards and Quality Control.”
- PWS 2.1.1.3, which required the vendor to “perform annual analysis of the state of the RSNF Curriculum Management process and provide results and recommendation of Short (12/24 month) and Long (3-5 year) term goals,” and then deliver a report with the results.
- PWS 5, which required the vendor to offer a program “to hire Saudi Arabian Nationals . . . in support of the new Saudi Arabian 2030 Vision Plan through performance of this requirement,” so that the vendor would maintain a “minimum rating of ‘Medium Green’ in the Saudi

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<sup>1</sup> The solicitation was issued as a request for proposals but is referred to as an RFQ in amendment 1. Vendors’ submissions are referred to as both quotations and proposals in the evaluation record and in the parties’ protest filings. For consistency, we refer to the solicitation as an RFQ and to the vendors’ submissions as quotations.

<sup>2</sup> The Navy previously determined that three of seven interested firms were considered to be “viable” sources based on their experience, commitment, and eligibility to operate in the Kingdom of Saudi Arabia and invited those three to submit quotations.

Nitaqat Mutawar Program” and meet the corresponding requirements of the national social insurance program.

RFQ at 16-20, 46.

The RFQ also expressly advised vendors that they could “provide any other information considered relevant to the solicitation and PWS tasks.” *Id.* at 46.

Under the past performance factor, the RFQ directed vendors to submit three past performance references with the same or similar scope and magnitude that would be evaluated to assess “how capable the [vendor] is of successfully accomplishing the requirements of the solicitation.” *Id.* at 46-47.

For the cost factor, which is not at issue here, the RFQ directed vendors to submit target costs and target fees using a web form, and documentation substantiating the realism of the vendor’s direct labor rates and indirect rates. *Id.* at 48-49.

The three quotations the Navy received were from Salient<sup>3</sup>, Kratos, and a third firm that is not at issue here. A technical evaluation board (TEB) reviewed the quotations, identified strengths and weaknesses in each vendor’s proposed approach under the performance approach factor, and assessed adjectival ratings of outstanding, good, acceptable, marginal, or unacceptable. AR, Tab 4, TEB Memorandum<sup>4</sup> at 5. The TEB also evaluated each vendor’s past performance to assess first the relevance of each reference as very relevant, relevant, somewhat relevant, or not relevant, and then all references together in aggregate. The TEB then assessed each vendor’s record of performance under its relevant contracts, which was expressed in terms of a level of confidence in the vendor performing successfully. The past performance evaluation resulted in adjectival ratings that included substantial confidence, satisfactory confidence, and limited confidence. *Id.* at 5-6.

The Navy identified two weaknesses in the Kratos’s approach under the performance approach factor. The first weakness concerned Kratos’s approach to managing teams of personnel under PWS section 1.1.2 that included having the firm’s managers communicate with RSNF leadership about academic schedules and requirements without including NETSAFA. AR, Tab 3, TEB Report at 6-7. The second weakness concerned the firm’s approach to supporting curriculum management under PWS sections 2.1.1.1 and 2.1.1.3 by proposing the use of Kratos’s proprietary software, referred to as **[DELETED]**, rather than commercially available software. The TEB explained that the use of proprietary software created a risk of vendor lock-in, a situation where RSNF curriculum management would become reliant on the proprietary

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<sup>3</sup> Salient is the corporate parent of the incumbent contractor, Salient Federal SGIS.

<sup>4</sup> The TEB produced both a report documenting the evaluation judgments, and a memorandum to the contracting officer, which described the evaluation process and summarized the results.

software and would complicate efforts to achieve future competition for the requirement. *Id.* at 9. Although the TEB also identified strengths in Kratos's approach regarding the same PWS requirements, it determined the quotation merited an overall rating of acceptable under the performance approach factor. *Id.* at 12-13.

In contrast, the TEB's evaluation of Salient's quotation found the firm's approach showed exceptional understanding and demonstrated the ability to exceed program requirements. *Id.* at 19-21. The evaluation identified multiple strengths and no weaknesses, which the TEB determined merited an overall rating of outstanding under the performance approach factor. *Id.* at 29-30.

In evaluating Kratos under the past performance factor, the Navy determined that two of the firm's past performance examples were very relevant, and one was somewhat relevant, and that when considered in aggregate, they were very relevant. AR, Tab 3, TEB Report at 15-16. The evaluators reviewed the assessments received from a point of contact for each relevant contract along with past performance database ratings. Those reports were uniformly positive for Kratos and thus provided a high degree of confidence that Kratos would perform successfully. The agency consequently assigned the quotation a rating of substantial confidence. *Id.* at 17.

For Salient, the evaluators found one of its three past performance references was very relevant, while two were somewhat relevant. *Id.* at 30-31. Of those, the very relevant contract was the incumbent task order, which the evaluators described as being performed by "[t]he quoter . . . as the prime contractor." *Id.* at 29. When considered in aggregate, the evaluators viewed Salient's past performance as very relevant. *Id.* at 31. The record of past performance on the contracts identified in Salient's quotation was uniformly positive, and gave the evaluators a high degree of confidence that Salient would perform successfully and thus the agency assigned a rating of substantial confidence. *Id.* at 33.

The resulting adjectival ratings and evaluated costs were as follows:

	SALIENT	KRATOS
PERFORMANCE APPROACH	OUTSTANDING	ACCEPTABLE
PAST PERFORMANCE	SUBSTANTIAL CONFIDENCE	SUBSTANTIAL CONFIDENCE
EVALUATED COST	\$156,908,158.44	\$145,320,893.56

AR, Tab 5, Business Clearance Memorandum at 30.

The contracting officer, who served as the source selection authority, reviewed and agreed with the evaluation report. The contracting officer summarized the strengths in both firms' quotations, as well as the two weaknesses in Kratos's quotation under the performance approach factor and summarized the basis for both firm's past performance ratings. AR, Tab 5, Business Clearance Memorandum at 10-12. The contracting officer then made a comparative analysis of the benefits of Salient's

approach and contrasted them with the evaluation of Kratos's quotation as generally adequate and providing strengths that were offset by its weaknesses. *Id.* at 30-31. The contracting officer then summarized the past performance of both and concluded that both firms merited a rating of substantial confidence. *Id.* at 32-33.

Finally, the contracting officer set out the source selection judgment that Salient's quotation demonstrated significant superiority over Kratos's under the performance approach factor, and a slight advantage under the past performance factor because its longer period of very relevant performance. *Id.* at 33. The contracting officer explained that Salient's advantage justified incurring the 8 percent higher evaluated cost, and therefore Salient's quotation represented the best value for the government, particularly in view of the importance of the work to the security cooperation between the Navy and RSNF. *Id.* at 34. After receiving notice of the source selection and a brief explanation of the selection decision, Kratos filed this protest.<sup>5</sup>

## DISCUSSION

Kratos challenges the evaluation of both firms' quotations under the performance approach and past performance factors as unreasonable, argues that the Navy disparately evaluated quotations, and contends that the source selection tradeoff decision was unreasonable. We consider the protester's arguments in turn and find that the record does not provide a basis to sustain the protest.

### Performance Approach Evaluation

Kratos argues that its quotation was misevaluated under the performance approach factor by the assessment of the two weaknesses and by the Navy's failure to recognize additional strengths in its proposed approach. The firm also argues that the evaluation reflects disparate treatment because the Navy assessed strengths for aspects of Salient's approach that both quotations had in common but failed to assess Kratos's quotation similarly.

Where a protester challenges an agency's evaluation of quotations in a task or delivery order competition under FAR subpart 16.5, our Office does not reevaluate quotations; rather, we review the record to determine whether the evaluation was reasonable and consistent with the evaluation criteria and the applicable procurement laws and regulations. *Wyle Labs., Inc.*, B-416528.2, Jan. 11, 2019, 2019 CPD ¶ 19 at 4. The evaluation of risk associated with specific aspects of a vendor's proposed approach is proper even where risk may not have been specifically identified as an element of the evaluation. *Id.* at 6. Ultimately, a vendor bears the obligation to submit a well-written quotation to clearly demonstrate its approach and its compliance with the solicitation requirements. *Manutek Inc.*, B-422096, B-422096.2, Jan. 5, 2024, 2024 CPD ¶ 22 at 8.

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<sup>5</sup> Our Office is authorized to hear protests of task orders that are issued under multiple-award IDIQ contracts established within defense agencies where, as here, the task order is valued in excess of \$35 million. 10 U.S.C. § 3406(f)(1).

## Evaluation of Weaknesses

Kratos argues that the Navy misevaluated its quotation by assessing a weakness for posing a risk that Kratos would commit to work beyond the task order scope or agree to unauthorized commitments. Protest at 8-9. In this regard, under the evaluation for PWS section 1.1.2, which addressed the vendor's management of its teams (often referred to in the record simply as program management), the Navy assessed a weakness because Kratos's quotation described having the firm's managers communicate with RSNF personnel to determine program requirements. By proposing contact directly with RSNF and without involvement of NETSAFA to establish those requirements, the evaluators found Kratos's approach posed a risk of the firm performing requirements that exceed those required by the task order. AR, Tab 3, TEB Report at 7. The agency deemed that aspect of the quotation a risk that constituted a weakness in the firm's approach. *Id.*

Kratos contends that the assessment of this weakness was unreasonable because the Navy misread the approach described in the firm's quotation. Protest at 8. Kratos argues that when the quotation indicated direct contact with RSNF, the broader approach the firm proposed placed communication with the Navy first, and never indicated that the firm would fail to involve the Navy or that the firm would take direction from RSNF. *Id.* Instead, Kratos emphasizes that its quotation stated that the firm would **[DELETED]**.<sup>6</sup> *Id.* (quoting Kratos Quotation vol. I at 4<sup>6</sup>). Further, Kratos argues that its quotation "**[DELETED]**," thereby committing to replicate its "successful communication plan . . . during [its] last contract,"<sup>7</sup> whereas the evaluation was based only on an out-of-context reading of one sentence. *Id.* at 6; Comments & Supp. Protest at 6; Second Supp. Comments at 2.

The Navy responds that the evaluation of this weakness was based on the description of the firm's approach in its quotation and was reasonable. In particular, the agency notes that the approach stated that Kratos's approach was to have its functional managers communicate with RSNF about requirements and then, only afterward, seek final approval from NETSAFA. Contrary to Kratos's assertion that the evaluators misread the quotation, the agency argues that the "non-cost/technical quote, made no mention of NETSAFA's involvement in its planned communications with RSNF leadership." Contracting Officer's Statement and Memorandum of Law (COS/MOL) at 18. Therefore, the agency contends, it was reasonable for the evaluators to conclude that Kratos's approach would risk leaving NETSAFA out of a discussion with RSNF leadership, which posed the risk of making commitments to RSNF that expanded the scope of work, made unauthorized commitments, or disrupted the chain of command. AR, Tab 8, Decl. of Technical Evaluation Board Chair at 7. To the extent that the

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<sup>6</sup> Citations to the vendors' quotations refer to documents filed as Electronic Protest Docketing System No. 36 (agency response to additional documents request).

<sup>7</sup> Kratos had been the incumbent contractor until 2021.

protester argues that its approach was misunderstood, the agency counters that the language of the quotation was at best unclear. Second Supp. MOL at 7.

The record reasonably supports the Navy's evaluation. The Kratos quotation describes what the agency understood as distinct elements because they were set forth in separate sentences. Among them was that the firm's functional managers would "[DELETED]" Kratos Quotation vol. I at 3. NETSAFA is not mentioned in this sentence. The quotation stated the firm would then [DELETED]." *Id.* at 4. The Navy's conclusion that Kratos's approach posed a risk of developing a work plan that included commitments that NETSAFA had not authorized, work that was outside the scope of the contract, and disruption in the relationship between the Navy and RSNF was reasonable and based on the content of Kratos's quotation. As noted above, Kratos had the responsibility to submit a clear and well-written quotation. *Manutek Inc., supra.* The record thus supports the Navy's evaluation judgment in assessing a weakness in Kratos's quotation.<sup>8</sup> While the evaluation characterized the weakness as being offset by the firm's general emphasis on open communication with NETSAFA, the net effect still contributed to the overall assessment of Kratos's quotation as acceptable under the performance approach factor. COS/MOL at 17. Consequently, the evaluators and, subsequently, the contracting officer, properly considered the weakness in their overall assessment of the merit of Kratos's quotation under the performance approach factor.

Kratos next argues that the assessment of the second weakness under the performance approach factor was unreasonable. As noted above, the TEB assessed a weakness based on the quotation describing the use of Kratos's proprietary software in

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<sup>8</sup> Kratos also argues that the evaluation reflects disparate treatment because Salient's quotation was not assessed a weakness even though it also allegedly proposed communication with RSNF that did not include NETSAFA, and because Kratos's quotation was not assessed a strength, as Salient's was, for its substantively indistinguishable communications plan. Second Supp. Protest at 3-5. Where a protester alleges unequal treatment in a technical evaluation, it must show that the differences in ratings did not stem from differences between the offerors' proposals (or quotations). *Paragon Sys., Inc.; SecTek, Inc.*, B-409066.2, B-409066.3, June 4, 2014, 2014 CPD ¶ 169 at 8-9.

The record supports the Navy's explanation that even though each quotation had "a similar overall concept of coordinated and frequent communication," Salient's was more detailed and beneficial. Second Supp. Decl. of TEB Chair at 3. For example, Salient's approach clearly emphasized its use of steady informal communication to keep NETSAFA updated about its operations, while Kratos's relied on standard formal updates to the agency. *Id.* Given what the Navy notes is added complexity of operating across geographically dispersed sites and interacting with RSNF, the agency explains that it viewed Salient's approach as providing better visibility into the contractor's performance that provided an important advantage over Kratos's formal communication structure. *Id.* Given the differences in the approaches, Kratos has not shown that the evaluation reflected disparate treatment.

support of the curriculum management requirements, which were required under sections 2.1.1.1 and 2.1.1.3 of the PWS. The evaluators deemed the approach a weakness because it would foster reliance on Kratos's proprietary software systems that would then complicate efforts to recompute the requirement. Kratos argues that the Navy again misread the firm's quotation, which it argues only described the planned use of its proprietary software as part of an effort that supports [DELETED], separate from the performance of the contract at issue. Protest at 9-12; Comments & Supp. Protest at 8-9.

Kratos argues that its quotation only mentioned the proprietary software to explain the firm's involvement with [DELETED] as a basis to recommend that NETSAFA work with [DELETED] to gain the benefit of its training opportunities and access to its [DELETED]. Kratos argues that its quotation did not propose to implement its proprietary software in the performance of the task order at issue, so assessing a weakness for that approach was baseless and thus unreasonable. *Id.* Further, Kratos argues that even if the Navy was reasonable to read the quotation as proposing the use of the proprietary software on the task order at issue, it was still unreasonable to assess a weakness because Kratos was at most recommending that the agency use its proprietary software, and that NETSAFA could simply decline to adopt that recommendation. Comments & Supp. Protest at 6.

The Navy argues that its evaluation was reasonable. The agency contends that the language of Kratos's quotation specifically recommends the use of its [DELETED] proprietary software in its performance approach narrative responding to PWS sections 2.1.1.1 and 2.1.1.3. COS/MOL at 19. That is, the firm did not simply mention its proprietary software, but specifically recommended its use as its performance approach under the curriculum management tasks. *Id.* The agency contends that its reading of the quotation was reasonable, and its concern about adopting Kratos's proposed approach to curriculum management as effectively locking in Kratos (through institutionalizing the use of its proprietary software) is reasonable and supports the assessment of the weakness. *Id.* at 20 (citing AR, Tab 3, TEB Report at 7-8).

Our review of the record supports the reasonableness of the Navy's evaluation. In its quotation, the passage at issue appears to state that Kratos's approach to the task order at issue involves the use of its proprietary software:

[DELETED].

Kratos Quotation vol. I at 6.

An agency may reasonably consider the risks of an approach to performance that relies on proprietary software in its evaluation. *Comprehensive Health Servs., Inc., B-292858.3 et al.*, April 27, 2004, 2004 CPD ¶ 165 at 6-7 (agency reasonably downgraded protester's proposal based on concern that the proposed implementation and use of proprietary software "pose[d] obvious risks with regard to, among other things, a successor contract"). Here, the Navy understood Kratos's approach to the



task order at issue as making a recommendation for aligning the curriculum development for RSNF with the resources and capabilities at [DELETED], which Kratos described as including its proprietary software system as key intellectual property. Kratos Quotation vol. I at 6. As a result, the Navy was reasonable in assessing a weakness based on an approach that recommended the use of Kratos's proprietary software solution.<sup>9</sup>

### Failure to Assign Strengths

Kratos next argues that the Navy misevaluated multiple aspects of its quotation that should have resulted in the assessment of additional strengths under the performance approach factor.

Where an evaluation is reasonable and consistent with the evaluation criteria, the protester's assertion that its proposal (or quotation, as here) should have been assessed additional strengths under a factor does not demonstrate an unreasonable evaluation; rather, the protester's arguments simply constitute disagreement with the agency's evaluation judgments that do not provide a basis to sustain the protest. *GeoNorth LLC, B-411473 et al.*, Aug. 6, 2015, 2015 CPD ¶ 247 at 7. As described below, the evaluation record documents careful review of the protester's proposed approach to the curriculum management and local employment plan requirements and considered judgment that the aspects that Kratos contends should have been additional strengths were not valuable to the Navy and thus did not merit additional strengths. The protester's arguments to the contrary do not provide a basis to sustain the protest.

Kratos argues that its ongoing role as the RSNF training systems support contractor uniquely allowed it to leverage the abilities of Kratos's subject matter experts who are involved in providing integration work for the Naval Tactical Team Trainer (NTTT) and other new systems, and that Kratos could further provide the benefits of graphics and simulation content created using the NTTT system if the Navy were to develop or update interactive media resources under the task order at issue. Kratos argues that the Navy unreasonably failed to assess an additional strength for proposing those benefits. Protest at 12-13; Comments & Supp. Protest at 12.

The Navy argues that the evaluation reasonably determined that Kratos's quotation did not merit assessment of an additional strength with respect to Kratos's role as the

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<sup>9</sup> Although Kratos contends that Salient likewise proposed to rely on proprietary software solutions, for which it disparately received a strength, the record does not support this contention. The Navy counters that the strength assessed for Salient's software systems, identified as "[DELETED]" and "[DELETED]," are both commercially available programs sold by third parties, which therefore present no similar risk of vendor lock-in because licenses to both systems could be transferred to, or be acquired by, a successor contractor through ordinary commercial means. Second Supp. Decl. of TEB Chair at 4-5. The record thus does not provide a basis to find that the evaluation involved disparate treatment here.

RSNF training systems support contractor. Regarding the firm's proposed approach of leveraging that effort to provide expertise, graphics, and simulations, the agency counters that the evaluators reasonably found the requirements of this task order would not benefit from the types of expertise, or the graphics and simulations, that are produced by NTTT or other systems under the training systems support work. Further, the agency notes that even if there were potential crossover benefits from the RSNF training systems support contract, the advantages would once again raise risks of creating dependencies to Kratos proprietary software systems, and NTTT specifically, so the risk of vendor lock-in would have been a weakness rather than a strength. COS/MOL at 21.

Our review of the record supports the reasonableness of the Navy's evaluation judgment. The record shows that the evaluators specifically considered the firm's ability to leverage ownership of the NTTT software, and made a judgment that it was not considered a benefit at least in part because the scope of the task order at issue did not include use of simulation training. AR, Tab 3, TEB Report at 12. Kratos supports its claim that the ownership of the NTTT software would benefit the Navy by arguing that it would make the firm's efforts more efficient, such as if Kratos were to prepare interactive multimedia under PWS sections 2.1.1.6 or 2.1.4. Comments & Supp. Protest at 10. Kratos's argument does not demonstrate that the evaluation under the RFQ criteria was unreasonable, however, particularly because those PWS tasks were not among the five that the RFQ identified as being evaluated under the performance approach factor. See RFQ at 46. Rather, the record supports the reasonableness of the agency's judgment because the evaluators considered the potential benefit of Kratos's software and found the NTTT software (including its ownership by Kratos) would not provide significant value to the agency under the evaluation criteria for this task order. AR, Tab 3, TEB Report at 12.

Kratos also argues that its quotation should also have been assessed a strength under the evaluation element for section 5 of the PWS, regarding a plan to meet local requirements to employ Saudi nationals, because the firm had platinum status in the Nitaqat Mutawar program, which requires employment of Saudi nationals. Kratos argues that its rating exceeded the RFQ requirement that the vendor had to maintain a minimum of a "[m]edium [g]reen" rating. Protest at 13. The firm argues that the Navy unreasonably overlooked a significant benefit of its higher platinum rating because attaining it made it less likely that through loss of qualifying employees, Kratos would be downgraded below medium green. *Id.*; Comments & Supp. Protest at 10-11. The firm also argues that the Navy improperly treated the requirement as pass/fail, rather than recognizing the advantage of Kratos's platinum status under the program, which would have justified the assessment of a strength based on the lower risk that Kratos would be downgraded below the PWS requirement of medium green. *Id.* at 10.

The Navy argues that the evaluation was reasonable because the RFQ required an approach to maintain a minimum rating of "[m]edium [g]reen" and comply with the social insurance program. The agency contends that whether a vendor's approach ensured the firm would attain a medium green rating, or would attain a higher rating, the

approach provided equal value because platinum status provided no additional benefits to the Navy. AR, Tab 8, Decl. of TEB Chair at 9; COS/MOL at 22. The Navy also argues that the evaluators properly considered Kratos's four-element plan regarding PWS section 5, of which one element was for the firm to exceed only slightly the minimum local employment required to maintain medium green status for the task order at issue (*i.e.*, the firm clarified that it would achieve a Saudization rate of [DELETED] percent on the task order, thereby exceeding the medium green requirement of 38.81 percent). AR, Tab 3, TEB Report at 12. The Navy also considered other elements of the firm's approach that addressed successful recruiting and monitoring of employment and payroll compliance. *Id.* at 12-13. In considering the plan as a whole, the evaluators reasonably deemed it adequate based on the firm's focus on candidate recruitment and monitoring compliance. AR, Tab 3, TEB Report at 13.

Our review of the record supports the reasonableness of the Navy's evaluation here. Kratos's quotation states that the firm "currently hold[s] Platinum status" in the Nitaqat Mutawar program, and then describes its proposed approach to the requirements of section 5 of the PWS as including a goal to maintain sufficient qualifying employees to attain medium green status. Kratos Quotation vol. I at 10. The Navy has explained why platinum status did not afford any additional benefit to the agency and, in our view, the evaluators reasonably determined that a strength was not justified.

Even if the Navy improperly assessed vendors' Nitaqat Mutawar program status by treating the offerors' proposed approaches as a pass/fail evaluation, the record shows that Kratos was not prejudiced by that evaluation. Our Office will not sustain a protest unless the protester demonstrates a reasonable possibility that it was prejudiced by the agency's actions, that is, unless the protester demonstrates that, but for the agency's actions, it would have had a substantial chance of receiving the award.

*McDonald-Bradley*, B-270126, Feb. 8, 1996, 96-1 CPD ¶ 54 at 3. The record does not support Kratos's claim that its quotation exceeded the minimum standard in the RFQ; rather, while it presently has platinum status, its proposed approach is to attain medium green status. As a result, even if the agency had rated vendors higher for proposing an approach that surpassed the requirement to maintain medium green status, Kratos has not shown that its approach did so and could reasonably have been rated higher than acceptable. The protester has thus failed to show that the Navy evaluation was unreasonable when it assessed Kratos's proposed approach, which set a goal of qualifying for medium green status under the task order at issue. The record does not show that Kratos's approach provided additional value to the agency.

### Past Performance Evaluation

Kratos challenges the evaluation of Salient's past performance, arguing that the Navy improperly credited Salient with the past performance of its affiliates, specifically past performance by Salient's corporate parent and by the incumbent contractor, Salient Federal SGIS, which is Salient's subsidiary. Comments & Supp. Protest at 5-6. Kratos argues that the record does not reflect any recognition by the Navy that the past

performance was for affiliated companies or that it was properly considered in assessing Salient's past performance. *Id.*

The Navy responds that the past performance evaluation was reasonable and properly considered the past performance of Salient's affiliates because the agency understood that Salient was fully involved in performance of the incumbent contract, and the quotation described specific resources that Salient would use to perform as being the same that were performing the incumbent contract. Supp. COS at 2. The agency also argues that Salient and its affiliates are operationally united, and the resources of both affiliates were committed to performance of the task order at issue here. Supp. MOL at 10-11. The TEB chair confirms that even though the past performance evaluation record did not expressly explain the circumstances, the panel was aware that Salient's affiliate was the awardee of the incumbent contract, and that Salient's quotation reflected continued use of the incumbent's resources, including Salient committing to continue all incumbent employees at their current salaries. More generally, the evaluators were aware that Salient and its corporate affiliates (its parent and its subsidiary) were closely aligned through shared personnel and resources and were effectively performing as one entity under the umbrella of Salient's parent. Supp. AR, Second Decl. of TEB Chair at 2-3; Supp. COS at 2-4. The Navy argues that the agency's past performance evaluation properly considered performance of the affiliates in evaluating Salient under the past performance factor based on the recognition of the close connection between the affiliated entities.

The evaluation of past performance is a matter of discretion which our Office will not disturb unless the agency's assessments are unreasonable or inconsistent with the solicitation criteria. In a protest challenging the evaluation of past performance, our Office will review the record to determine if the evaluation was reasonable and consistent with the solicitation's evaluation criteria and procurement law and regulations. *Computer Scis. Corp.*, B-409386.2, B-409386.3, Jan. 8, 2015, 2015 CPD ¶ 34 at 12. An agency properly may attribute the past performance of a parent or affiliated company to an offeror where the firm's proposal (or quotation) demonstrates that the resources of the parent or affiliate will affect the performance of the offeror. *Peraton, Inc.*, B-421038.6 *et al.*, Apr. 12, 2023, 2023 CPD ¶ 92 at 14.

Our review of the record shows that the Navy justified including in the evaluation of Salient's past performance contracts awarded to its parent and its subsidiary because the agency reasonably viewed the three firms as operationally united and identified resources of the incumbent that were committed to performance of the task order at issue. The agency recognized a significant connection through three elements identified in the quotation: continued use of a training facility from the incumbent contract, a facility it had established in Saudi Arabia, and a corporate leadership cell. Salient Quotation vol. I at 3-4. The quotation also described Salient as successfully performing the incumbent contract and portrayed the three firms as operationally unified. *Id.* at 3. The quotation named the key incumbent leadership personnel as continuing in their respective positions and explained its staffing for other positions as retaining many named incumbent employees, who would keep their employment certification status and current salaries for the base year of the task order at issue. *Id.*

at 4; Salient Cost Quotation at 8-9. Finally, Salient and its affiliates share the same corporate address and are listed as being affiliated in their SAM.gov records. Supp. MOL at 2.

The TEB chair reasonably explains that the evaluators recognized the description in the quotation as consistent with the firms' unified management under the umbrella of the parent company, and that the quotation indicated that the unified resources of the firms would perform the task order at issue. Supp. AR, Second Decl. of TEB Chair at 1, 3. In our view, the circumstances provide a sufficient basis for the Navy evaluators to consider the performance of both Salient's parent and its subsidiary in the past performance evaluation.

#### Best-Value Tradeoff

Finally, Kratos challenges the Navy's tradeoff rationale in selecting Salient's higher-rated and higher-priced quotation for award. Comments & Supp. Protest at 11. In its initial protest and comments, Kratos contended that the source selection rationale relied improperly on adjectival ratings and the number of strengths and weaknesses assessed in the evaluation, rather than on the underlying merits of the quotations, to justify incurring \$11.6 million of additional evaluated costs in selecting Salient's quotation. *Id.* at 12 n.4.

However, after Kratos filed its comments, the Navy submitted additional relevant documents, which included an unredacted copy of its business clearance memorandum, and those provided previously-redacted portions of the contracting officer's source selection rationale. In response, Kratos refocused its challenge to the best-value tradeoff: In its second supplemental comments, Kratos argues that the source selection decision was flawed because it was based on the allegedly unreasonable evaluation and unequal treatment of both quotations. As explained above, our review of the record shows that the Navy's evaluations under the performance approach and past performance factors were reasonable and that the allegedly unequal evaluation was justified by material differences in the quotations. In sum, the allegation lacks a factual basis because the evaluation it was based on was reasonable and consistent with the solicitation. Accordingly, Kratos's challenge to the best-value tradeoff is denied.

The protest is denied.

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General Counsel