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Decision

Matter of: C4CJV, LLC

File: B-423512.2

Date: July 31, 2025

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DIGEST

1. Protest challenging the agency's evaluation and assignment of a deficiency to protester's cost/price proposal is denied where the agency's evaluation was reasonable and in accordance with the terms of the solicitation.
 2. Protester is not an interested party to raise the remaining allegations under the technical and past performance factors where the agency reasonably assigned a deficiency to protester's cost/price proposal.
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DECISION

C4CJV, LLC, a small business of Burke, Virginia, protests the award of a contract to PCG-SMX JV, LLC, a small business of Lexington Park, Maryland, under request for proposals (RFP) No. N0042124R0009, issued by the Department of the Navy for information technology (IT) enterprise engineering, operations, and hosting support services. The protester asserts that the agency unreasonably evaluated the protester's proposal, resulting in a flawed source selection decision.

We deny the protest.

BACKGROUND

The Navy requires a contractor with the skills and experience to provide enterprise-wide applications, server, storage, data protection/recovery, data transport, and data environment engineering, operations, and hosting support services. Agency Report (AR), Tab 1, RFP at 36. Requirements include planning, engineering/design, acquiring, provisioning, operating, administering, troubleshooting, repairing, and managing all aspects of the Naval Air Systems Command's centrally and remotely located IT solutions managed by the Naval Air Warfare Center Aircraft Division Digital Network & Applications Department. *Id.*

To procure these services, the agency issued the subject solicitation as a small business set-aside on March 14, 2024. *Id.* at 1. The solicitation contemplated the award of a single indefinite-delivery, indefinite-quantity contract with a 5-year base ordering period and an optional 2-year ordering period; the contract would include cost-plus-fixed-fee, cost-reimbursement, and fixed-price contract line items. *Id.* at 2. The due date for proposals was May 6. *Id.* at 1.

The solicitation provided for the evaluation of proposals based on the following factors: technical, past performance, and cost/price. *Id.* at 144. The technical factor contained two elements: (1) management and resources, and (2) understanding of the requirements (sample task). *Id.* Under the management and resourcing element of the technical factor, the agency would assess the offeror's understanding and ability to manage the basic contract and task orders effectively; how the offeror would monitor and manage performance quality; the offeror's ability to provide and maintain qualified personnel; the approaches, methods, processes, and tools the offeror would utilize in performance to support the current and emerging IT/cyber environments; and the risk associated with the proposed teaming structure, including whether the team structure had been used before. *Id.* at 145-146.

Under the understanding of the requirements (sample task) element, the agency would evaluate the offeror's response to the RFP's sample task to assess the offeror's understanding and capability to perform the requirements, the ability to effectively plan and manage the representative requirement, the ability to introduce innovative approaches in supplying IT solutions, and the offeror's understanding of the associated risks, skills, and resources required. *Id.* at 146. The agency would assign proposals a rating of outstanding, good, acceptable, marginal, or unacceptable under the technical factor.¹ *Id.* at 149-150.

¹ As relevant here, a rating of unacceptable indicated that the proposal was unawardable because it did not meet the requirements of the solicitation, contained one or more deficiencies, and may have had a risk of performance that was unacceptably high. *Id.* at 150.

Under the past performance factor, the solicitation established a two-step evaluation. *Id.* at 146. First, the government would determine which contracts were recent and relevant and would assign a relevancy rating of very relevant, relevant, somewhat relevant, or not relevant to each reference. *Id.* Second, the agency would evaluate how the offeror performed on each of the very relevant, relevant, or somewhat relevant contracts. *Id.* Based on a consideration of all performance areas for those contract references, the agency would assign a “Performance Confidence Assessment Rating” of substantial confidence, satisfactory confidence, neutral confidence, limited confidence, or no confidence.² *Id.* at 147, 150-151.

With regard to the cost/price factor, section L of the solicitation provided that, “[t]o be eligible for award,” the offeror and proposed subcontractors were required to submit a cost workbook and a cost narrative. *Id.* at 132. For the cost workbook, offerors and subcontractors were to complete, among other things, an indirect rates and fees worksheet, a term cost summary, and a total compensation plan worksheet. *Id.* at 132-133. For the cost narrative, offerors and subcontractors were to explain any assumptions made during the preparation of the cost/price workbook and discuss the basis for various cost elements, such as direct labor rates. *Id.* at 133-134.

The solicitation provided that the agency would award the contract to the responsible offeror whose proposal represented the best value to the agency, considering technical and past performance factors and cost/price. *Id.* at 144. The technical and past performance factors, when combined, were significantly more important than cost/price. *Id.* The solicitation advised offerors in section M that the agency intended to “to strictly enforce all of the proposal submission requirements outlined in Section L.” *Id.* at 143. Section M further stated that failure to comply with the requirements of section L might result in the proposal receiving a deficiency, and that any proposal that received a deficiency would be ineligible for award. *Id.*

Receipt of Proposals and Evaluation Results

Five firms, including the protester and awardee, submitted timely proposals. Contracting Officer’s Statement and Memorandum of Law (COS/MOL) at 3. The evaluation results for C4CJV and PCG-SMX JV were as follows:

² As relevant to this protest, a rating of substantial confidence indicated that the agency had a high expectation that the offeror has the experience to successfully perform the required effort, and a rating of limited confidence indicated that the agency had a low expectation that the offeror has the experience necessary to successfully perform the required effort. *Id.* at 150-151.

Factor	Offeror	
	C4CJV	PCG-SMX JV
Technical/Risk Rating	Unacceptable	Outstanding
Past Performance	Limited Confidence	Substantial Confidence
Total Evaluated Price	\$790,148,843	\$868,984,167
Awardability	Unawardable	Awardable

AR, Tab 5, Source Selection Evaluation Board (SSEB) Brief to Source Selection Advisory Council at 9. The agency concluded that the protester's proposal was unawardable due to deficiencies under the technical factor and in the cost/price proposal. AR, Tab 6, SSEB Evaluation Report at 36, 49, 63, 67. As relevant here, the agency noted that one of the protester's proposed subcontractors had failed to submit a cost workbook as required by the solicitation; as a result, the agency considered the protester's proposal deficient due to noncompliance with the terms of the solicitation. *Id.* at 63. The agency explained that, due to this omission, it was unable to adequately assess the subcontractor's indirect rates. *Id.* at 53, 63. The omission of the cost workbook, as well as the deficiency assigned under the technical factor, rendered the protester's proposal unawardable. *Id.* at 49, 67.

The source selection authority concurred with the SSEB's findings and selected PCG-SMX JV's proposal for award. AR, Tab 8, Source Selection Decision (SSD) at 6. This protest followed.

DISCUSSION

The protester raises several challenges to the agency's evaluation of its proposal. Specifically, the protester argues that the agency's cost/price evaluation, namely its conclusion that the protester's proposal was unawardable, was arbitrary and capricious. Protest at 21. The protester also contends that the agency unreasonably assessed its proposal a deficiency and five weaknesses under the technical factor, failed to assign its proposal several strengths under the technical factor, and unreasonably evaluated its past performance. *Id.* at 6-20. As explained below, we find no merit to these allegations.

In reviewing a protest challenging an agency's evaluation, our Office will not reevaluate proposals nor substitute our judgment for that of the agency, as the evaluation of proposals is a matter within the agency's discretion. *Ad Hoc Research Assocs., LLC*, B-420641, B-420641.2, July 5, 2022, 2022 CPD ¶ 154 at 5. We instead review the record to determine only whether the agency's evaluation was reasonable and consistent with the stated evaluation criteria as well as applicable procurement statutes and regulations. *Id.* Furthermore, because an agency's evaluation is dependent on the information furnished in a proposal, it is an offeror's responsibility to submit an adequately written proposal for the agency to evaluate. *Id.* An offeror risks having its proposal evaluated unfavorably where it fails to submit an adequately written proposal.

Id. Where, as here, a proposal fails to meet material requirements of the RFP, it may be rejected as unacceptable. *See id.*

As mentioned above, the SSEB found the protester's proposal to be deficient due to the failure of one its subcontractors to submit a cost workbook as required by the solicitation. AR, Tab 6, SSEB Evaluation Report at 63. The agency argues that the requirement to provide a cost workbook was a material requirement and that the failure to provide the cost workbook was therefore a material omission. COS/MOL at 84. The agency and intervenor maintain that our Office can resolve this protest in its entirety by addressing the reasonableness of this conclusion. COS/MOL at 84-87; Intervenor's Comments at 2-6. That is, if we conclude the agency properly determined that the protester's proposal was deficient in this area, we need not address the remaining protest grounds because the protester would not be in line for award even if we were to sustain them. Accordingly, we first turn to this portion of the evaluation.

In response, the protester contends that the solicitation's evaluation criteria do not provide that the failure to provide a cost workbook will result in disqualification from the competition. Comments at 22. The protester further argues that the failure of one of its subcontractors to submit a cost workbook as required by the solicitation "had no impact on the information presented to the Navy for evaluation." *Id.* The protester points out that the agency used the subcontractor's cost narrative to create a cost workbook for evaluation purposes, belying the agency's assertion that this omission was a material failure to comply with the terms of the solicitation. *Id.* The agency disputes the protester's assertion that the agency was able to glean the required cost/price information from the cost narrative, arguing that while the evaluators attempted to use the cost narrative for evaluation purposes, the narrative alone did not contain enough information for the agency to conduct its cost/price evaluation. COS/MOL at 85-86.

Based on the record, we have no basis to object to the agency's decision to find the protester's proposal deficient due to its subcontractor's failure to provide a cost workbook. It is a fundamental principle in a negotiated procurement that a proposal that fails to conform to a material solicitation requirement is unacceptable and cannot form the basis for award. *See URS Fed. Servs., Inc.*, B-411024.4, Apr. 30, 2015, 2015 CPD ¶ 149 at 5 (concluding that the agency reasonably eliminated protester's proposal from the competition due to noncompliance with the terms of the solicitation where protester failed to submit material attachment with its cost proposal). Material requirements are terms that affect the price, quantity, quality, or delivery of the goods or services being provided. *See Bluehorse*, B-412494, B-412494.2, Feb. 26, 2016, 2016 CPD ¶ 64 at 2-3. The requirement for submission of a cost workbook was a material term of the solicitation as the content of the workbook directly affected cost/price; the workbooks were to provide information on the total direct labor cost, including proposed labor categories, labor rates, and number of hours for the prime contractor and all subcontractors. AR, Tab 32, Cost Workbook. Because the protester's subcontractor failed to submit its cost workbook, the protester failed to comply with a material term of the solicitation and therefore, could not receive the award. *See URS Fed. Servs., Inc., supra.*

Although the protester contends that the agency was able to utilize its cost narrative to conduct the cost/price evaluation, the agency's use of information elsewhere in the protester's proposal did not mean that the requirement in question was not material nor did it relieve the protester of the obligation to comply with the terms of the solicitation. Furthermore, contrary to the protester's assertion that its subcontractor's cost narrative contained all the pertinent cost/price information, the SSEB explained that it was unable to verify certain fees listed in the subcontractor's cost narrative due to the omission of the cost workbook. See AR, Tab 6, SSEB Evaluation Report at 63. Therefore, to the extent the protester argues that its omission of the cost workbook was harmless, the record directly contradicts that assertion. Finally, although the protester contends that the solicitation failed to set forth any evaluation criteria that supports the disqualification of its proposal from the competition under these circumstances, section M of the solicitation expressly provided that the agency would strictly enforce the requirements of section L and that failure to comply may result in the assignment of a deficiency. RFP at 143. Accordingly, we deny the protester's argument that the agency unreasonably found its cost/price proposal deficient due to the omission of its subcontractor's cost workbook.

Given our conclusion above that the agency reasonably assigned a deficiency to the protester's cost/price proposal, we find that the protester is not an interested party to raise its remaining challenges to the agency's evaluation. An offeror is an interested party if it is an actual or prospective offeror whose direct economic interest would be affected by the award of a contract or by the failure to award a contract. 4 C.F.R. § 21.0(a)(1); *L3Harris Techs. Integrated Sys. L.P.*, B-422943, B-422943.2, Dec. 23, 2024, 2025 CPD ¶ 12 at 21. A protester is not an interested party if it would not be in line for award if we were to sustain its protest. *Id.* Here, even if we were to sustain the remaining protest grounds, the protester still would not be in line for award because it failed to comply with the material terms of the solicitation. In other words, the protester's proposal would remain unawardable. Accordingly, we dismiss the remaining protest grounds.

The protest is denied.

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General Counsel