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Decision

Matter of: Resource Management Concepts, Inc.

File: B-423503.2; B-423503.4

Date: September 2, 2025

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DIGEST

Protest challenging the agency's evaluation of the protester's proposed small business participation is denied where the agency's evaluation was reasonable and consistent with the terms of the solicitation.

DECISION

Resource Management Concepts Inc., of Lexington Park, Maryland, protests its elimination from the competition under request for proposals (RFP) No. N00253-24-R-3000, issued by the Department of the Navy, for information technology support services for the Naval Undersea Warfare Center in Keyport, Washington. The protester challenges the agency's evaluation of Resource Management's proposal with respect to whether the firm met the solicitation's small business participation requirement.

We deny the protest.

BACKGROUND

The agency issued the solicitation on November 19, 2024, pursuant to the procedures of Federal Acquisition Regulation subpart 16.5 (Indefinite-Delivery Contracts), under the Navy's multiple-award SeaPort Next Generation (Seaport-NxG) indefinite-delivery, indefinite-quantity (IDIQ) contract. Agency Report (AR), Tab 1, RFP at 1, 179.¹ The RFP contemplated the issuance of a single cost-plus-fixed-fee task order, with a

¹ All citations to the agency's report are to the corresponding electronic page numbers.

1-year base period of performance and four, 1-year option periods. *Id.* at 5-16. Through this procurement, the Navy sought information technology support services, specifically, infrastructure, software development, and support services, for the Naval Undersea Warfare Center in Keyport, Washington. *Id.* at 31.

The solicitation advised that award would be made on a best-value tradeoff basis, considering four factors: (1) technical; (2) past performance; (3) cost; and (4) contract documentation.² *Id.* at 179-180. The Navy would assign one of five adjectival ratings when assessing the technical factor: outstanding; good; acceptable; marginal; or unacceptable. *Id.* at 180. For past performance, the agency would assign one of five possible confidence ratings: substantial confidence; satisfactory confidence; neutral confidence; limited confidence; or no confidence. *Id.* at 181. The Navy would evaluate proposed costs to determine if they were realistic. *Id.* Finally, the agency would evaluate an offeror's submitted contract documentation to ensure that all the required information had been provided and to verify compliance with all requirements; this factor would be evaluated on a pass/fail basis. *Id.* at 182. The technical factor was more important than past performance, and, when combined, those two factors were significantly more important than cost. *Id.* at 180.

Offerors were to submit their proposals in four volumes, corresponding to each of the technical factors. *Id.* at 171-172. As relevant to this protest, an offeror's cost proposal included three parts. The first was section B pricing, covering the cost of performing the total level of effort of the contract. *Id.* at 174. This section of the solicitation provided a contract line item number (CLIN), corresponding to a statement of work task, and identified the associated number of labor hours for that CLIN. RFP at 5-17. Offerors were to submit pricing for each identified CLIN. *Id.* at 174. The solicitation cautioned that "Section B pricing will take precedence should there be any discrepancies with any other pricing information submitted." *Id.* Second, cost proposals were also to include a cost proposal spreadsheet. *Id.* The RFP provided that this spreadsheet "shall provide a detailed breakout of every single cost element proposed across each base and option year as applicable." *Id.* Further, the spreadsheet should "be overarching, encompassing all proposed costs inclusive of sanitized subcontractor costs, and it shall fully align with and support the proposed Section B pricing." *Id.* Third, each offeror was to produce a cost proposal narrative "that fully substantiates the reasonableness and realism of the proposed costs" and should "fully corroborate every cost element that is proposed." *Id.* As relevant here, offerors' narratives should include both the prime and subcontractor labor hours. *Id.* at 175.

Relevant to this protest, the solicitation required that offerors propose small businesses that would perform at least 30 percent of the requirement. *Id.* at 169. In this regard, the solicitation explained that an offeror shall demonstrate how it will provide at least 30 percent of the proposed total estimated amount of the task order to small business concerns and "shall provide sufficient information to demonstrate that the tasks

² The technical factor had three subfactors: (a) technical approach; (b) management approach; and (c) personnel approach. RFP at 179.

assigned to the selected small business subcontractors are meaningful in the overall success of the program.” *Id.* at 177.

On April 22, 2025, the Navy informed Resource Management that its timely submitted proposal would not be considered for award. AR, Tab 7, Notice to Resource Management at 1-2. The agency explained that Resource Management’s proposal did not comply with the 30 percent small business participation requirement, as the proposed total costs attributed to Resource Management’s small business subcontractors represented only 27 percent of the total cost of the contract. *Id.* at 2. Following an agency-level protest, which was denied, this protest followed.³

DISCUSSION

The protester principally argues that the Navy’s calculation of Resource Management’s proposed small business participation rate was inconsistent with the RFP’s stated evaluation methodology and was otherwise unreasonable. Protest at 4-5, Comments at 3-6. Specifically, the protester argues that the agency’s calculation of the protester’s small business participation included surge requirements that were indefinite and may never be ordered, which was both unreasonable and inconsistent with the terms of the solicitation. *Id.* The protester alleges that, had the agency excluded the surge labor hours, the protester’s proposal would have met the solicitation’s small business participation requirements and been eligible for award. *Id.* Alternatively, the protester argues that the solicitation’s formula used to calculate surge pricing already included the subcontractor rates proposed for the base requirement, and therefore the agency should have treated surge hours as including the same subcontractor utilization as the base requirements from which the pricing was derived. *Id.* For the reasons that follow, we find no basis to sustain the protest.⁴

First, the protester contends that the agency’s decision to include surge hours in the small business calculation was irrational and inconsistent with the solicitation. Specifically, the protester contends that given the indefinite nature of the surge requirements, there was no way to allocate them among team members, and the solicitation did not require surge labor hours be included in the small business participation calculation. Comments at 3-6. On the contrary, the protester notes, the solicitation explained that offerors were required to provide sufficient information to demonstrate that the tasks assigned to the selected small business subcontractors are

³ The anticipated value of the task order here exceeds \$35 million. Accordingly, this protest is within our Office’s task order jurisdiction to resolve protests involving task orders issued under IDIQ contracts established pursuant to the authority in title 10 of the United States Code. 10 U.S.C. § 3406(f)(1)(B).

⁴ Resource Management raises other collateral allegations, and although our decision does not specifically address every argument presented, we have considered each argument and find that none provides a basis on which to sustain the protest.

meaningful in the overall success of the program, and there was no way to do that for indefinite surge requirements. *Id.* Accordingly, the protester contends that the only outcome that was both reasonable and consistent with the solicitation was to exclude surge hours entirely from the calculation of small business utilization, as its proposal did. *Id.*

In response, the agency argues that it was reasonable for it to include surge hours in the small business utilization calculation. Most importantly, the agency notes that the RFP explained that subcontracting participation would be calculated on the basis of the total estimated amount of the task order, which includes surge hours. Memorandum of Law at 10. For that reason, the agency contends that not only was it reasonable for it to include surge hours in the calculation, the solicitation required it to do so. *Id.* Moreover, the solicitation required offerors to provide detailed information about small business participation, and while the protester's proposal provided such information concerning the base work, with regard to the surge work, the protester's proposal simply represented that it excluded surge hours which could not be allocated at this time. *Id.* at 6. That is, the protester's proposed subcontracting breakdowns did not explain how surge work would be allocated, instead simply omitting surge dollars from the calculation, notwithstanding that the RFP explained that subcontracting participation would be calculated on the basis of the total estimated amount of the task order, which includes surge hours. *Id.* at 10-11.

Where an evaluation is challenged, our Office will not reevaluate proposals but instead will examine the record to determine whether the agency's judgment was reasonable and consistent with the stated evaluation criteria and applicable statutes and regulations. *Lear Siegler Servs., Inc.*, B-280834, B-280834.2, Nov. 25, 1998, 98-2 CPD ¶ 136 at 7. Furthermore, it is an offeror's responsibility to submit a well-written proposal, with adequately detailed information which clearly demonstrates compliance with the solicitation requirements, and an offeror risks having its proposal evaluated unfavorably where it fails to submit an adequately written proposal. See *International Med. Corps*, B-403688, Dec. 6, 2010, 2010 CPD ¶ 292 at 8; *STG, Inc.*, B-411415, B-411415.2, July 22, 2015, 2015 CPD ¶ 240 at 5-6. Agencies are not required to infer information from an inadequately detailed proposal, or to supply information that the protester elected not to provide. *Optimization Consulting, Inc.*, B-407377, B-407377.2, Dec. 28, 2012, 2013 CPD ¶ 16 at 9 n.17.

We find no merit to the protester's arguments. First, the solicitation provided labor hour estimates and detailed instructions on how to submit costs for surge requirements, and explained that the agency's requirement was for 1,734,980 total labor hours with "surge included." RFP at 169, 174-175; see also AR, Tab 2, Level of Effort Spreadsheet (showing how the projected labor hours were allocated across tasks and CLINs with surge accounting for 228,260 hours). More significantly, the solicitation made clear that offerors were required to demonstrate how they would provide at least 30 percent of the "total estimated amount of the task order" to small business concerns, with no exceptions noted. RFP at 177. The solicitation gave offerors no reason to believe that surge requirements would not be included in the calculation of small business

participation, and unambiguously required the agency to include it in the calculation of small business utilization.

Moreover, the protester's proposal did not explain in any way how small businesses would be involved in the performance of surge hours. Instead, it merely excluded surge hours from its small business narrative and did not make any representation about how small businesses would or would not be involved in performing surge requirements. AR, Tab 4, Resource Management Cost Proposal Narrative at 59.

Turning to the protester's alternative argument concerning the computation of surge costs, the protester is correct that the template's formula for computing surge costs is based in part on base performance costs that included subcontractor costs. That fact, however, does not address the question of whether the protester proposed to actually provide an appropriate share of surge hours to its small business subcontractors. As noted above, the protester's proposal made no commitment concerning the amount of surge labor it would provide to small business subcontractors. *Id.* The fact that the surge costs were estimated using rates that incorporated subcontractor labor is irrelevant to the question of whether the protester actually intended to provide its subcontractors with an appropriate share of any surge work, which is not clear from its proposal.

In sum, we see no basis to conclude that the agency erred by including surge hours when concluding that the proposed total costs attributed to Resource Management's small business subcontractors represented only 27 percent of the total cost of the contract. Accordingly, the agency reasonably concluded that the protester's proposal did not meet the solicitation's requirement for at least 30 percent small business participation. As explained above, an offeror is responsible for submitting a well-written proposal, and an offeror that fails to do so runs the risk that its proposal will be unfavorably evaluated. *International Med. Corps, supra*. On this record, we find no basis on which to sustain the protest.

The protest is denied.

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General Counsel