U.S. GOVERNMENT ACCOUNTABILITY OFFICE

441 G St. N.W.
Washington, DC 20548

Comptroller General
of the United States

Decision

Matter of: Delphinus Engineering, Inc.

File: B-423203.4

Date: December 19, 2025

Lucas T. Hanback, Esq., Cindy Lopez, Esq., and Timothy A. Wieroniey, Esq., Rogers Joseph O'Donnell, PC, for the protester.
Jacob D. Noe, Esq., J. Bradley Reaves, Esq., and Kenneth M. Hyde, Esq., Reaves GovCon Group, for Prism Maritime, LLC, the intervenor.
Andrea Maglasang-Miller, Esq., and Julianne Surane, Esq., Department of the Navy, for the agency.
Mary G. Curcio, Esq., and John Sorrenti, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest that agency disparately evaluated proposals and unreasonably failed to assign additional strengths to protester's proposal is denied where agency evaluation was reasonable and in accordance with the solicitation.

2. Protest that agency conducted unreasonable cost realism analysis is denied where agency increased protester's proposed labor rates to account for escalation in accordance with the solicitation.

3. Protest that agency conducted misleading discussions is denied where the discussions identified the agency's primary concern that the protester's proposed escalation rates were unrealistically low, and it had adjusted the rates for all positions accordingly.

4. Protest that agency conducted an unreasonable best-value tradeoff determination is denied where agency reasonably concluded that awardee's proposal was technically superior to protester's proposal and worth a small price premium.

DECISION

Delphinus Engineering, Inc., a small business of Newtown Square, Pennsylvania, protests the award of a contract to Prism Maritime, LLC, of Chesapeake, Virginia, under request for proposals (RFP) No. N6339422R0510, issued by the Department of the

Navy, Naval Surface Warfare Center, for alteration installation team (AIT) services and in-service engineering support. Delphinus argues that the Navy unreasonably evaluated its proposal under the technical and cost factors, engaged in misleading discussions, and made an unreasonable best-value tradeoff determination.

We deny the protest.

BACKGROUND

The Naval Surface Warfare Center, Port Hueneme Division (NSWC PHD), supports a variety of programs in its mission as the in-service engineering agent. Agency Report (AR), Exh. 2, RFP at 24. The instant requirement is for AIT services to NSWC PHD onboard ships and land-based facilities, including government laboratories. *Id.* AIT services include installation and engineering support, removal and modification of equipment or systems, welding, rigging, and fire watch. *Id.* at 24-25.

On October 28, 2021, the Navy issued the RFP as a small business set-aside under the procedures of Federal Acquisition Regulation (FAR) part 15. RFP at 1; Contracting Officer's Statement (COS) at 1. The solicitation contemplated the award of a cost-plus-fixed-fee contract with a 1-year base period and four 1-year option periods. RFP at 6-18, 149.

The solicitation provided for award on a best-value tradeoff basis considering the following evaluation factors: (1) technical capability; (2) management approach; (3) past performance; and (4) cost. *Id.* at 155. Relevant here, in evaluating the technical capability factor, the agency considered the following three elements: technical approach; staffing plan; and key personnel. *Id.* at 155-157. The technical capability factor was considered more important than the management approach and past performance factors, and significantly more important than cost, with the importance of cost increasing as the proposals became more equal under the non-cost factors. *Id.* at 156.

Under the management approach and past performance factors proposals would be rated acceptable or unacceptable. The agency would evaluate proposals under the technical capability factor only if the proposal was rated acceptable for management approach and past performance. Under the technical capability factor, the agency would assign an adjectival rating of outstanding, good, acceptable, marginal, or unacceptable based on evaluated strengths, weaknesses, significant weaknesses, deficiencies, and risks. RFP at 155, 156. Within the technical capability factor the solicitation identified three elements (technical approach, staffing plan, and key personnel). *Id.* at 134. Cost was evaluated for completeness and realism. *Id.* at 159.

Proposals were due on January 7, 2022. RFP at 1. The Navy received multiple proposals by the submission deadline, including proposals from Delphinus and Prism. The agency evaluated the initial proposals, held discussions, and received and evaluated final proposal revisions (FPRs). COS at 1. FPRs were submitted on November 1, 2023. *Id.*

The Navy initially awarded the contract to Prism after determining that Prism's proposal provided the best value to the government. (COS) at 9. Delphinus protested the award with our Office. We dismissed the protest as academic after the agency filed a notice of corrective action in which it stated it would reevaluate the proposals of Delphinus and Prism and conduct a new technical-cost tradeoff. *Delphinus Engineering, Inc.,* B-423203, B-423203.2, Jan. 17. 2025 (unpublished decision).

Subsequently, the agency implemented its corrective action. The agency re-evaluated the technical and cost proposals of Delphinus and Prism with the following results:

Evaluation Factor	Delphinus	Prism
Technical Capability	Good	Good
Management Approach	Acceptable	Acceptable
Past Performance	Acceptable	Acceptable
Total Evaluated Cost	$222,400,056	$223,480,848

AR, Exh. 6, Source Selection Decision Document (SSDD) at 4. The agency conducted a new best-value tradeoff determination and again selected Prism for award. Following a debriefing Delphinus submitted this protest.

DISCUSSION

Delphinus challenges the agency's technical and cost evaluations, asserts that the agency engaged in misleading discussions, and argues that the agency's best-value tradeoff decision was unreasonable. We have reviewed each allegation and find no basis to sustain the protest. We discuss several issues below.[1]

Technical Capability Evaluation

The protester contends that the agency engaged in disparate treatment in assessing proposal strengths and also failed to assess several additional strengths to Delphinus's proposal. As explained below, we find the agency's evaluation was reasonable.

Disparate Treatment

The agency evaluated three elements under the technical capability factor: technical approach, staffing plan, and key personnel. RFP at 155-157. The solicitation informed offerors that in evaluating the technical approach element the agency would consider

[1] While our decision does not address every issue raised by the protester, we have reviewed all the protester's arguments and find that none provide a basis to sustain the protest.

the validity and thoroughness of the offeror's technical approach as specific evidence of the Offeror's understanding, capability, and experience to successfully perform each of the technical requirements described in the statement of work, and the offeror's subcontracting or teaming approach. RFP at 157. In addition, the RFP stated that more relevant experience could be considered a strength, if the experience would be advantageous to the government during contract performance. *Id.*

Delphinus received one strength and Prism received two strengths under the technical approach element. AR, Exh. 3, Source Selection Evaluation Board (SSEB) Report at 9-10, 21-22; Exh. 5, Source Selection Advisory Council (SSAC) Report at 9-12. Both offerors' proposals received strengths for demonstrating relevant experience. The agency recognized both offerors' experience in AIT installations, industrial services and project support for installation efforts, warehousing, access to industrial shops, and the ability to perform industrial services. AR, Exh. 3, SSEB Report at 9-10, 22. The agency also found that both offerors' capabilities would enable them to perform pre-fabrication, fabrication and component testing for material in multiple locations, and thereby rapidly respond to demand in installation surges. AR, Exh. 6, SSDD at 5-6.

Prism received a second strength under the technical capability element for its ability to maintain an adequate workforce to perform all tasks with required qualifications and experience, and the ability to track the training and certifications of its personnel. AR, Exh. 3, SSEB Report at 21-22. Specifically, the evaluation provided:

> [DELETED]

AR, Exh. 5, SSAC Report at 12.

Delphinus argues that its proposal "contains the same capabilities and advantages that resulted in Prism's training strength." Comments at 16. In support of this argument the protester identifies several aspects and excerpts from its proposal that it contends demonstrates the same type of trained and qualified readily available employees.

The agency responds that while both offerors proposed to meet the requirements regarding the ability to provide an adequate workforce throughout performance, Prism exceeded these standards by [DELETED]. Memorandum of Law (MOL) at 22. This demonstrated an "exceptional ability to reduce the expected and normal 'gap' between the assignment of routine tasking and the performance of that tasking." *Id.* at 22-23. In contrast, the agency maintains, Delphinus's proposal stated that it had the ability to provide qualified personnel but did not "discuss a plan or process that reduces and/or removes the expected 'gap' between the assignment of tasking requiring training and certifications and the performance of that tasking." *Id.* at 23.

When a protester alleges disparate treatment in a technical evaluation, it must show that the differences in the evaluation did not stem from differences between the offerors' proposals. *Camber Corp.*, B-413505, Nov. 10, 2016, 2016 CPD ¶ 350 at 8. In other words, to prevail on an allegation of disparate treatment, Delphinus must present actual evidence that the Navy unreasonably failed to assess strengths for aspects of its proposal that were substantively indistinguishable from, or nearly identical to, those contained in other proposals.

On this record, the agency did not act disparately when it assessed strengths. The agency assigned Prism's second strength under the technical capability element for its ability to provide [DELETED]. The agency cites numerous areas of Prism's proposal where it listed the qualifications and certifications of its employees and explained how it tracked and maintained these criteria for its employees. *See* AR, Exh. 3, SSEB Report at 21-22. While Delphinus has provided select quotations and citations from its proposal, it has not explained how these are directly comparable to the aspects from Prism's proposal cited by the agency in support of this second strength. Accordingly, we find the agency has reasonably explained that the second strength was awarded because Prism's proposed approach was different from Delphinus and the protester has not otherwise shown the two proposals were substantively indistinguishable or nearly the same and warranted the same strength.

Additional Strengths for Delphinus's Proposal

Delphinus also protests that the agency should have assigned multiple additional strengths to its proposal under the technical approach element.

In reviewing protests challenging the evaluation of an offeror's proposal, our Office does not reevaluate proposals; rather, our Office examines the record to determine whether the agency's judgment was reasonable, and in accordance with solicitation criteria and applicable procurement statutes and regulations. *Patriot Def. Group, LLC*, B-418720.3, Aug. 5, 2020, 2020 CPD ¶ 265 at 7. An agency's judgment that the features identified in a proposal do not exceed the requirements of the RFP or provide advantages to the government--and thus do not warrant the assessment of strengths--is a matter within the agency's discretion and one that we will not disturb where the protester has failed to demonstrate that the evaluation was unreasonable. *Protection Strategies, Inc.*, B-416635, Nov. 1, 2018, 2019 CPD ¶ 33 at 8 n.4. A protester's disagreement with the agency's assessment, without more, does not render the evaluation unreasonable. *The Ginn Group, Inc.*, B-420165, B-420165.2, Dec. 22, 2021, 2022 CPD ¶ 17 at 9.

We have reviewed the record, and we find no basis to conclude that the agency unreasonably failed to assign additional strengths to Delphinus's proposal under the technical approach element. For example, Delphinus notes that its proposal identifies it as the winner of the James S. Cogswell Outstanding Industrial Security Achievement Award. Delphinus asserts that the Cogswell award is the most prestigious recognition in the field of industrial security bestowed by the Defense Counterintelligence and Security Agency. According to Delphinus, winning this award demonstrates that Delphinus exceeded the overarching requirements of the National Industrial Security Program (NISP), including specific activities required in the statement of work. Delphinus concludes that its proposal should have been awarded a strength because it received this award.

The agency disagrees. The agency explains that the solicitation states that the contractor will have access to classified information that must be processed under the terms of the NISP. RFP at 30. Specifically, the solicitation requires classified information to be stored, packed, and shipped in accordance with transmission instructions contained in the NISP and applicable security requirements identified in the solicitation. *Id.* at 31. The agency further explains that the Defense Counterintelligence and Security Agency issued the Cogswell award to Delphinus based on a thorough review of the protester's security program which demonstrated its ability to exceed principles of industrial security excellence. AR, Exh. 11, Decl. of SSEB Chairperson at 15.

The agency asserts that even if receiving the award exceeds the requirement of the solicitation, strengths were only awarded where something that exceeded the solicitation requirements also added value that would benefit the government during performance of the contract. MOL at 34. The agency considered that the award demonstrated Delphinus's familiarity with the NISP and its ability to meet the applicable industrial security requirements. *Id.* The agency, however, did not find that receiving the award would benefit the agency while the contract was being performed. *Id.* Specifically, while the government requires contractor personnel to process classified information in accordance with the NISP and applicable security requirements, the government does not have an industrial security need beyond that. AR, Exh. 11, Decl. of SSEB Chairperson at 15. The agency further notes that the protester won the award in 2020 based on exceeding security standards in 2019. Thus, even if the Navy could somehow benefit from a contractor exceeding industrial security standards under this specific requirement, the award did not mean that Delphinus would exceed industrial security standards during the entirety of the performance period of the contract, which commenced several years after the performance on which the award was based. *Id.*

Delphinus argues that having the award reduces performance risk, which necessitates less government oversight and decreases the risk of poor performance which is a benefit to the government. This, however, is no more than disagreement with the agency's position that having the award does not provide a benefit to the government during performance because the government is only concerned that classified information is properly handled, not that the offeror exceeded the principles of industrial security excellence. Nor does it address the agency's position that an award based on performance in 2019 does not necessarily mean that Delphinus will exceed standards during contract performance years later. The protester's disagreement does not provide a basis for us to conclude that the agency unreasonably failed to award Delphinus a strength because it received the Cogswell award.

As another example, Delphinus asserts that its proposal should have been awarded a strength because Delphinus has established operational facilities and a skilled workforce in several of the performance locations specified in the solicitation. According to Delphinus, this will negate the need for travel costs to these locations and will reduce the cost of travel to nearby locations.

The agency responds that Delphinus's proposal does not address how the location of its facilities will reduce travel costs. MOL at 28. The agency explains that the solicitation provided an estimate for the cost of travel and the protester used that estimate in its proposal and did not otherwise propose a lower amount for travel costs. *Id.*; *see* RFP at 145-46; AR, Ex. 8.1 Delphinus Technical Proposal at 29; Ex. 8.2a Delphinus Cost Proposal at 6, 13. Delphinus did state that it would minimize the number of personnel travelling, but in the agency's view that meant that Delphinus would try not to exceed the estimated cost of travel. *Id.*

Delphinus asserts that reduction in travel costs was a clear strength in its proposal because its proposed facilities are close to some of the travel locations, minimizing the number of personnel required to travel. As the agency points out, while Delphinus's proposal stated that it would minimize travel, it also included the entirety of the agency's estimated travel costs in its proposal. Further, Delphinus's proposal did not discuss how the locations of its warehouses could or would reduce travel costs. We thus find it was reasonable that the agency did not assign a strength to the protester's proposal for potential reduced travel costs.

Cost Realism Evaluation

The solicitation provided that the agency would conduct a cost realism analysis of the offerors' proposed costs. RFP at 159. In conducting the realism analysis the solicitation provided, as relevant here, that for direct labor rates where personnel were covered by a Service Contract Act (SCA) wage determination, if the offeror provided a named individual with adequate payroll documentation the agency would accept the proposed labor rate if it was greater than or equal to the corresponding wage determination rate.[2] *Id.* at 160.

With respect to escalation rates the solicitation required offerors to provide a narrative of the escalation percentages proposed, including how and when the escalation rate is applied in the base period and each option period. *Id.* at 142, 160. The RFP stated that offerors had to address if escalation had been applied to the base year rates and why the proposed approach to base year escalation is realistic. *Id.* at 142. In addition, offerors had to provide three years of historical documentation supporting the proposed escalation rates. *Id.* at 160. If the offeror failed to provide the information, or to sufficiently justify why the proposed escalation rate is what the offeror could realistically expect to experience during contract performance, the agency would compare the proposed escalation rate to annual IHS Global Insight North America long-term forecast

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[2] The SCA refers to the "Service Contract Labor Standards" statute codified at 41 U.S.C. chapter 67, also known as the McNamara-O'Hara Service Contract Act of 1965. The statute applies to federal contracts exceeding $2,500 or having the principal purpose of using service employees to provide services to the government. *See* 41 U.S.C. § 6702(a).

rates for the projected contract years. *Id.* If the proposed escalation rate was greater than or equal to the annual IHS Global Insight rate for the performance period, the agency would accept the escalation rate as proposed. *Id.* If the proposed escalation rate was lower than the annual IHS Global Insight rate for the performance period, the agency would upwardly adjust the proposed escalation rate using the following IHS Global Insight escalation rates: 3.4 percent for 2024, the base period; 3.4 percent for option year 1 (2025); 2.9 percent for option year 2 (2026); 2.7 percent for option year 3 (2027); and, 2.4 percent for option year 4 (2028). *Id.*

In evaluating proposals for the award of a cost-reimbursement contract, an offeror's proposed costs are not dispositive because the government is bound to pay the contractor its actual and allowable costs. FAR 15.305(a)(1). 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). The evaluation of realistic costs is an informed judgment of what costs reasonably would be incurred if a particular proposal were to be accepted. RFP. at 4-5; *Valkyrie Enterprises, LLC*, B-415633.3, July 11, 2019, 2019 CPD ¶ 255 at 7-8 (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 reasonably available to the agency at the time of its evaluation).

Base Labor Rates

For employees covered by the SCA, Delphinus provided payroll rates to support its proposed rates. AR, Exh. 8.2a, Delphinus Cost Proposal at 7. In its proposal, Delphinus stated that the basis of estimate for its direct labor rates was the actual current salary, but where the actual salary was less than the prevailing wage under the applicable SCA wage determination, that applicable SCA rate was used. *Id.* at 8. Delphinus further explained that for the SCA-covered employees, Delphinus did not propose any escalation in the option years.[3] *Id.* at 9.

In reviewing Delphinus's direct labor rates for its SCA-covered employees the agency found that "although [Delphinus] stated that it did not propose any escalation for SCA covered positions, by utilizing SCA [wage determination] rates for SCA covered positions, the contents of [Delphinus's] cost proposal actually indicated varying base year escalation rates." AR, Exh. 4, Cost Price Analysis Team (CPAT) Report at 14. In this regard, when the agency compared the proposed base year direct labor rates with the supporting payroll data, it found that the proposed base year rates had been

[3] This is in contrast to the non-SCA covered employees, for which Delphinus proposed escalation to the base and option year rates based on the same IHS Global rates identified in the solicitation. AR, Exh. 8.2a, Delphinus Cost Proposal at 9.

escalated by various amounts ranging from less than zero percent to more than 3.4 percent.[4] *Id.* at 14-15.

Because Delphinu's proposal did not include any justification for the various base year escalation rates, the agency applied the IHS escalation rate of 3.4 percent to the base year rates. AR, Exh. 12, Decl. of CPAT Chairperson at 5. Thus, where the proposed rates already incorporated an escalation rate of 3.4 percent or higher the Navy accepted the rates as proposed. AR, Exh. 4, CPAT Report at 11-14; AR, Exh. 12, Decl. of CPAT Chairperson at 4-11. Where the proposed rates incorporated an escalation rate between zero and 3.4 percent, the Navy increased escalation of the proposed rates to make up the difference between the proposed escalation and 3.4 percent.[5] *Id.* Where no escalation was proposed, the agency also increased the rate by 3.4 percent. *Id.*; MOL at 43-45. In all instances where it adjusted the proposed base year rate, the agency accepted the higher of the proposed rate inclusive of Delphinus's proposed escalation, the applicable SCA wage determination rate, or the applicable accepted actual payroll rate increased by the 3.4 percent base year escalation rate. AR, Exh. 4, CPAT Report at 15-17; AR, Exh. 12, Decl. of CPAT Chairperson at 5.

Delphinus argues that the agency's increase to Delphinus's proposed base year labor rates is inconsistent with the solicitation. For named employees, Delphinus argues that if an offeror provided adequate documentation of a proposed rate, the rate would be accepted if it was greater than or equal to the applicable wage determination rate. Comments at 24-27. Delphinus contends that where its proposed base year labor rate was greater than or equal to the wage determination rate (and was supported by proper documentation), the agency had to accept that rate without applying any escalation. *Id.*

Based on our review of the record, we find the agency's cost realism evaluation to be consistent with the solicitation. The solicitation stated that the agency would accept the direct rate proposed if it was equal to or greater than the wage determination rate. However, as described above, the solicitation also required offerors to explain the escalation percentages proposed, including how and when that escalation is applied in

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[4] For example, Delphinus proposed one SCA-covered employee at a base rate of [DELETED] while the actual payroll data reflected [DELETED]. AR, Exh. 12, Decl. of CPAT Chairperson at 10. In this case, the agency determined that Delphinus's proposed rate included an approximate [DELETED] percent base year escalation from the rate reflected in the payroll data. *Id.* In another example, Delphinus proposed a rate of [DELETED] for one SCA-covered employee, while this employee's actual payroll data reflected a rate of [DELETED], which indicated an escalation to the base year rate of approximately [DELETED] percent above the payroll rate. *Id.*

[5] Using the same example of the employee whose proposed base year rate reflected a [DELETED] percent escalation over the payroll rate, the agency increased the base year rate by the difference between the 3.4 and [DELETED] percent escalation rates. AR, Exh. 12, Decl. of CPAT Chairperson at 10-11; MOL at 44-45.

the base period and each option period. The solicitation further provided that if the offeror did not provide three years of historical documentation supporting the proposed escalation rate or a justification for the rate proposed, the agency would, as it did here, utilize the Global Insight rate which was 3.4 percent for the base year.

Here, the agency found that Delphinus proposed various escalation percentages to the base year rates for its SCA-covered employees but provided no explanation or justification for this approach. Accordingly, the agency applied the Global Insight rate to those base year rates and upwardly adjusted them as necessary. While the protester contends that the agency should have simply accepted the proposed rates, without any explanation or justification for its approach to escalation, this ignores the solicitation provisions that expressly required offerors to address escalation rates. On this record, the agency's action was consistent with the solicitation, and this protest ground is denied.[6]

Option Years

As noted above, Delphinus proposed zero escalation to its SCA-covered employees option year labor rates. Delphinus explained that the SCA rates are adjusted periodically by the Department of Labor, and when those adjustments were made Delphinus would submit a request for an equitable adjustment and promptly increase rates in accordance with the new wage determination. AR, Exh. 8.2a, Delphinus Cost Proposal at 9.

In evaluating its cost proposal, the agency found that Delphinus's reliance on the periodic increase to SCA wage determinations did not justify the proposed zero percent escalation rate "because escalation rates are meant to account for future adjustments to employee direct rates based on inflation, promotions or other merit increases, cost of living increases, and other factors." AR, Exh. 4, CPAT Report at 17-18. Since Delphinus stated it would submit requests for equitable adjustments if the wage determination rates increased, the agency concluded that Delphinus "expects a reasonable escalation of rates to occur in the option years but did not reflect this in their proposed rates." *Id.* at 18. The agency took exception to the proposed zero percent escalation rate and for purposes of the cost realism evaluation, the agency adjusted

[6] Delphinus asserts that to the extent the agency did not intend to accept proposed direct rates for the base year without escalation the solicitation contained a latent ambiguity. We disagree. The solicitation put offerors on notice that they had to include a narrative explaining the escalation rate, to include application to base year rates, and that the agency would apply escalation to base year rates if the offeror did not sufficiently explain or justify its approach. RFP at 142, 160. If any ambiguity existed it was patent, and Delphinus was required to raise the issue before the closing date for the receipt of proposals. *See FFLPro, LLC*, B-411427.2, Sept. 22, 2015, 2015 CPD ¶ 289 at 10.

Delphinus's proposed option rates upward using the Global Insight rates in accordance with the solicitation. *Id.*

Delphinus argues that this was improper and that it adequately explained its decision to propose zero percent escalation in the option years by relying on potential increases in the wage determinations. Comments at 29-32. The protester asserts that it explained in its proposal that this approach was justified because the wage determinations are the authoritative source for wage adjustments and "unnecessary escalation clauses may increase administrative burdens and contract complexity, potentially creating compliance issues." *Id.* at 30 (citing AR, Exh. 8.2a, Delphinus Cost Proposal at 9). Delphinus maintains that by using the IHS Global Insight rates, the agency improperly made upward adjustments to Delphinus's rates based on something Delphinus did not propose. *Id.* at 31.

On this record, we find that the agency properly escalated the protester's proposed option year labor rates using the Global Insight rates. Here, the agency expected, and Delphinus does not dispute, that labor rates for SCA covered employees would increase over the life of the contract. The solicitation specifically advised offerors to propose an escalation rate and to provide three years of historical documentation or to otherwise justify why the rates it proposed were reasonable. The solicitation further advised that the agency would apply the Global insight rates in the absence of an explanation or three years of historical data. Instead of utilizing one of the approaches described in the solicitation, Delphinus simply proposed zero percent and relied on the agency's future agreement to an equitable adjustment when wage determinations increased required rates. Delphinus's proposal thus effectively did not allow the agency to determine what it might expect to pay in the future when labor rates increased because Delphinus proposed zero escalation for the option years. In conducting its cost realism analysis, the agency reasonably adjusted the rates in accordance with the solicitation so that it could determine the probable cost of awarding a contract to Delphinus.[7] This protest ground is denied.

Misleading Discussions

Delphinus also contends that the agency conducted misleading discussions because it did not indicate that it would apply escalation to the base year rate for SCA-covered

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[7] Delphinus repeatedly objects to the agency's application of the IHS Global Insight rates to its option year rates as improper because it is something Delphinus "did not propose." But that is exactly the point of a cost realism analysis and is consistent with this solicitation. If the agency found, as it did here, that an offeror did not sufficiently explain or justify its proposed rates, it could upwardly adjust the proposed rates--*i.e.*, change the rates to something the offeror did not propose. Therefore, the fact that Delphinus did not propose to use the IHS Global Insight rates for its option years on SCA-covered employees is not a basis to find that the agency's application of those rates was unreasonable.

positions even if the rates Delphinus proposed were equal to or exceeded the wage determination rates. Comments at 34-35.

It is a fundamental principle of negotiated procurements that discussions, when conducted, must be meaningful; that is, the discussions must be sufficiently detailed and identify the deficiencies and significant weaknesses found in an offeror's proposal that could reasonably be addressed to materially enhance the offeror's potential for receiving award. FAR 15.306(d)(3); *InfoPro, Inc.*, B-408642.2, B-408642.3, Dec. 23, 2014, 2015 CPD ¶ 59 at 6; *PAI Corp.*, B-298349, Aug. 18, 2006, 2006 CPD ¶ 124 at 8. Further, an agency may not mislead an offeror--through the framing of a discussion question or a response to a question--into responding in a manner that does not address the agency's concerns, or misinform the offeror concerning a problem with its proposal or about the government's requirements. *McConnell Jones Lanier & Murphy, LLP*, B-409681.3, B-409681.4, Oct. 21, 2015, 2015 CPD ¶ 341 at 5-6; *Refinery Assocs. of Texas, Inc.*, B-410911.2, Mar. 18, 2015, 2015 CPD ¶ 116 at 6.

During discussions the agency informed Delphinus that its escalation rates were unrealistically low, and that no explanation was provided for why the rates would remain unchanged during the life of the contract. AR, Exh. 7, DEI Discussion Letter at 5. The agency further explained that it "applied escalation to all [the] positions regardless of SCA coverage for realism since Delphinus did not explain why it could expect to retain employees at fair market wages without annual pay increases." *Id.* at 5-6.

Delphinus asserts that the discussions were misleading because the agency did not tell the protester that it would escalate proposed labor rates above the wage determination rate. Comments at 35. Delphinus argues that instead, the discussions informed Delphinus that the agency had applied escalation to SCA rates because Delphinus had not explained why it could retain personnel at the proposed rates. *Id.* Delphinus maintains that it revised its cost proposal to include additional information regarding why its proposed rates based on the SCA wage determinations could be expected to retain personnel. *Id.* The protester further contends that saying the agency applied escalation to all positions regardless of SCA coverage did not mean the agency would escalate rates beyond the wage determination rates proposed or not accept proposed rates where they met or exceeded the wage determination, as they did here. *Id.* at 35-36

On this record, we find the agency's discussions were meaningful. The agency put Delphinus on notice that it had not justified its escalation rate, and that the agency had escalated rates for all positions regardless of SCA coverage. In addition, the solicitation specifically notified offerors that they had to explain the basis for their escalation rates and that labor rates would be escalated in accordance with Global Insight rates if the proposed escalation rates were not justified, which is what the agency told Delphinus here. Accordingly, we find that the agency provided sufficient detail to put Delphinus on notice of the agency's concerns. The discussions therefore were meaningful, and this protest ground is denied.

Best-Value Tradeoff

Delphinus protests that the agency's best-value tradeoff decision was unreasonable.

Delphinus and Prism were both rated acceptable under the management approach and past performance factors and good under the technical capability factor. AR, Exh. 6, SSDD at 4. With respect to the technical capability factor, Delphinus received three strengths: one under the technical approach element, one under the staffing plan element, and one under the key personnel element. *Id.* Prism received four strengths under the technical capability factor: two under the technical approach element, one under the staffing plan element, and one under the key personnel element. *Id.* Delphinus's evaluated cost was $222,400,056, and Prism's was $223,480,848. *Id.*

As noted above, the agency assigned both proposals strengths for relevant experience under the technical approach element. The agency found that both offerors' capabilities would enable them to perform pre-fabrication, fabrication and component testing for material in multiple locations, and thereby rapidly respond to demand in installation surges. *Id.* at 5-6. The source selection authority (SSA) explained that while the proposals slightly differed "in that each provided its installation surge capability in different locations, each of the locations identified were key and, therefore, provided an essentially equal benefit." *Id.* at 6. The SSA therefore concluded that because both proposals "demonstrated similar AIT experience and installation project support" they provided "an essentially equal amount of benefit to the Government." *Id.*

Also as explained above, Prism received a second strength under the technical capability element for its ability to maintain an adequate workforce to perform all tasks with required qualifications and experience, and the ability to track the training and certifications of its personnel. *Id.* The agency concluded that Prism's personnel would be able to commence performance immediately, with no ramp up time between assignment of tasking and execution of performance. In describing this strength, the SSA noted that [DELETED]. *Id.* The agency concluded that [DELETED]. *Id.*

Both offerors received one strength under the staffing plan element because Delphinus proposed 100 percent of its workforce as current named personnel and Prism proposed 94 percent of its workforce as current named personnel at the start of the contract. *Id.* The agency recognized that Delphinus had a higher number of current-named personnel on staff but considered this advantage negligible since the solicitation did not specify a minimum workforce requirement and because all 100 percent of the staff would not be needed upon award. *Id.* The SSA concluded that these strengths therefore provided equal advantage to the agency. *Id.*

Delphinus and Prism both received strengths under the key personnel element because their program managers exceeded the required years of experience. *Id.* at 7. The SSA recognized that Delphinus's proposed program manager exceeded the required number of years of experience by more years than Prism's program manager. *Id.* The SSA considered, however, that both program managers demonstrated exceptional proficiency at identifying assignments and deploying necessary resources to accomplish work within a given schedule. *Id.* He concluded that neither program manager provided a greater benefit due to the added years of experience and considered the proposals equal in terms of benefit to the Government with respect to this strength. *Id.*

The SSA conducted a tradeoff and determined that both proposals were equal under the management approach and past performance factors, but that Prism's second strength under the technical approach element of the technical capability factor provided a substantive advantage to Prism. *Id.* at 8. The SSA further concluded that this advantage was worth the additional price premium (0.49 percent), and selected Prism for the contract award. *Id.*

Delphinus protests that the agency's best-value tradeoff was unreasonable. Delphinus asserts that under the technical approach element the solicitation provided that a proposal that demonstrated more relevant experience may be considered a strength, if the agency determined that the experience will be advantageous to the government during contract performance. According to Delphinus because the solicitation states that a proposal with more relevant experience may be considered a strength the solicitation prioritized relevant experience and considered this the most important aspect of the technical approach element. Delphinus ultimately faults the agency for failing to conclude that the strength of Delphinus's experience, the most important consideration, provided it with a distinct advantage over Prism's higher priced proposal.

The agency responds that the solicitation did not indicate that experience was the most important consideration under the technical approach element. MOL at 13. While the solicitation stated that a strength may be awarded for more experience, the solicitation also noted that ratings would be assigned based on a proposal's strengths, weaknesses, and deficiencies. Strengths were therefore available to be assessed under all evaluation elements. *Id.* The agency also contends that there is no basis to conclude that because the solicitation stated that a strength could be assigned for greater experience, this was meant to convey that experience was the most important consideration in the award determination, as opposed to experience being one area where a strength might be awarded. *Id.*

On this record, we agree with the agency. The solicitation stated that proposals with more experience may be considered a strength, if that experience would be advantageous to the government, but it did not state or otherwise indicate that this would be considered a superior strength. The protester reads into the solicitation a hierarchy of strengths that is not there.

Moreover, Prism also received a strength for its experience, and the agency found the offerors' strengths for their experience to be equal. Delphinus's main contention as to why its experience should have been valued higher than Prism's experience is that Delphinus has existed as a business longer than Prism. Protest at 22; Comments at 7 n.4. The sole fact that Delphinus has been in business longer than Prism does not demonstrate that Delphinus has more experience relevant to this procurement or that Prism's relevant experience is any less valuable than Delphinus's experience.

Delphinus next asserts that the best-value determination failed to properly consider that its proposal was considered superior under the staffing plan and key personnel elements. As noted above, Delphinus received strengths under these elements but so did Prism. The record reflects that the best-value determination recognized some incremental advantage of Delphinus's proposal over Prism's proposal under these elements. AR, Exh. 6, SSDD at 6, 7. The SSA explained, however, why the proposals were essentially equal in terms of the benefit they would provide to the government.[8] For example, under the key personnel element the source selection official considered that both Delphinus and Prism proposed program managers that exceeded the number of years of experience required by the solicitation. *Id.* at 6. The source selection official recognized that Delphinus's proposed program manager exceeded the number of required years of experience by more years than Prism's program manager. *Id.* The source selection official concluded, however, that the proposals provided an equal benefit. The source selection official considered in this regard that the degree to which both individuals exceeded the minimum experience requirements indicates that both are expert level, highly competent program managers that can properly manage the resources deployed to perform their trade during one availability after another. *Id.* at 6-7. Delphinus's disagreement with the agency's assessment does not provide a basis to conclude that the assessment was unreasonable.

Finally, Delphinus asserts that Prism's additional strength under the technical approach element was assessed because Prism would be able to begin performance immediately upon receipt of a task. Delphinus argues that it offered the same benefit, which was not recognized in the tradeoff determination. Specifically, Delphinus notes that under the staffing plan element the agency assessed a strength because 100 percent of Delphinus's proposed personnel were current employees which meant that Delphinus could begin performance as soon as a task was assigned. Delphinus reasons that both offerors received a strength because there would be a lack of delay in task execution and that therefore Prism's second strength should not have resulted in the agency choosing Prism for the contract award.

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[8] Delphinus also complains that the agency combined three strengths in its proposal into one strength, making it seem that Prism had more strengths than Delphinus. The best-value decision was not made, and in fact could not properly be made, based solely on the number of strengths assigned to the proposals of Delphinus and Prism. As Delphinus is aware, the agency considered the areas of Delphinus's proposal that Delphinus asserts should have been considered as separate strengths and references them in the best-value determination. Comments at 41; COS at 26, 28. The fact that they were not listed as separate strengths does not provide a basis to sustain the protest. *See Gemini Tech. Services LLC*, B-421911, B-421911.2, Nov. 22, 2023, 2023 CPD ¶ 267 at 6 (whether an agency counted benefits as multiple aspects of a single strength, or as separate stand-alone strengths, is not the operative concern).

Delphinus further criticizes the agency's conclusion that Delphinus's and Prism's strengths in proposing a high number of named personnel at the start of the contract were negligible because all of the employees did not need to start at the beginning of the contract, while also crediting Prism in its second strength for its ability to begin performance on any task with no ramp up time. The protester contends that these two "unreasonable conclusions" are in conflict and cannot be reconciled. Comments at 8.

As explained above, the second strength awarded to Prism's proposal was because Prism had [DELETED]. As the agency explains, each contractor employee is required to have or obtain specific training and certifications within specific tasking areas prior to beginning performance of a required task. The Navy generally expects and finds it acceptable if the contractor receives the task and then trains or certifies its qualified personnel. AR, Exh. 3, SSEB Report at 22. Thus, there may be acceptable small "ramp up" between assignment of tasking that requires trained and certified personnel and the performance of that tasking. *Id.* Prism exceeded this requirement, and received a strength, because it proposed [DELETED]. In addition, because Prism demonstrated an exceptional ability to reduce the expected and normal "gaps" between the assignment of routine tasking and the performance of that tasking, the Navy also determined that this would benefit the Government during any emergent requirements since Prism could [DELETED]. AR, Exh. 3, SSEB Report at 22-23.

In contrast, Delphinus received a strength because it proposed 100 percent of its workforce as current named personnel. The agency found that this was advantageous to the government because it ensures immediate task execution upon award, *i.e.*, at the start of contract performance. However, this did not provide the same benefit as Prism's proposal. Delphinus received a strength simply for having staff available when the contract was awarded. The second strength assessed to Prism's proposal under the technical capability element was therefore distinct from the strength awarded to Delphinus's proposal (and Prism's proposal) under the staffing plan element because the former strength applied throughout contract performance while the latter strength applied only at the start of contract performance.

On this record, we find that the agency reasonably did not consider these strengths equivalent and used the second strength assessed to Prism under the technical capability element as a discriminator in favor of Prism. This protest ground is denied.

The protest is denied.

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General Counsel