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Decision

Matter of: Covenant Aviation Security LLC

File: B-423995; B-423995.2

Date: February 11, 2026

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Craig A. Holman, Esq., Thomas A. Pettit, Esq., and Kristina Lorch, Esq., Arnold & Porter Kaye Scholer LLP, for VMD Systems Integrators, LLC, the intervenor.

Michael Kiffney, Esq., and Christopher J. Curry, Esq., Department of Homeland Security, for the agency.

Christine Martin, Esq., and Tania Calhoun, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest challenging agency's evaluation of awardee's past performance is denied where the record shows that the evaluation was reasonable and in accordance with the terms of the solicitation.
 2. Protest that the agency performed an improper price realism analysis by failing to consider the awardee's blended rate for regular and premium hours and lack of certain non-labor costs is denied where the record shows the agency considered the blended rate and the non-labor costs in accordance with the terms of the solicitation.
 4. Protest that the agency performed an improper best-value tradeoff analysis for failing to look behind the adjectival ratings and consider the relative merits of proposals is denied where the record shows that the agency meaningfully considered the relative merits of the proposals and weighed them during its analysis.
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DECISION

Covenant Aviation Security, LLC (CAS), of Bolingbrook, Illinois, protests the issuance of a task order to VMD Systems Integrators, LLC, of McLean, Virginia, under task order request for proposals (TORFP) No. 70T05025R5900N001, issued by the Department of Homeland Security, Transportation Security Administration (TSA), for security screening services at the San Francisco International Airport (SFO) in San Francisco, California. The protester primarily contends that the agency unreasonably evaluated VMD's past

performance, performed an improper price realism analysis, and conducted an improper best-value tradeoff analysis.

We deny the protest.

BACKGROUND

The TSA issued the TORFP on December 19, 2024, pursuant to Federal Acquisition Regulation section 16.505, to holders of TSA's screening partnership program (SPP) multiple award, indefinite-delivery, indefinite quantity (IDIQ) contract for comprehensive security screening services to be provided at SFO. Agency Report (AR), Tab 1, TORFP at BATES 0001, ¶¶ B, B.1.¹ The services to be provided primarily included security screening of passengers and baggage and ensuring the security of designated security areas. AR, Tab 2, TORFP, amend. 0001 at ¶ C.1.3. The SPP was launched in 2004 and includes the contracting with qualified contractors to provide private security screening under TSA oversight at federalized airports that have applied to be part of the program. Transportation Security Administration, Screening Partnership Program, <https://www.tsa.gov/news/press/factsheets/screening-partnership-program> (last visited Feb. 2, 2026). CAS is the incumbent contractor for this requirement and has been since the program began.

The task order is to be performed over one 6-month transition period, four 1-year option periods, and one 6-month option period. AR, Tab 1, TORFP at BATES 0003-0017. The TORFP contemplated the issuance of a fixed-price task order to the offeror providing the best value to the government considering price and these non-price factors: (1) cost efficiency; (2) operational readiness approach; (3) transition approach; (4) project management and training approach; and (5) past performance.² AR, Tab 4, TORFP, amend. 0003 at ¶¶ M.2, M.3. Factors 2-4 were each more important than factor 5, and, when factors 2-5 were combined, they were significantly more important than price (factor 6).³ As the non-price merits of proposals became equal, price

¹ The agency assigned sequential BATES page numbers to all tabs of the agency report except the contracting officer's statement (COS) and the memorandum of law (MOL). All citations to page numbers in the agency report are made either to the BATES page numbers or to section/paragraph numbers, whichever is more precise. Citations to the COS and MOL are made to the Adobe PDF pages. Further, the solicitation was amended seven times; citations herein are made to the most recently issued amendment in which the information cited appears.

² The evaluation criteria required offerors to submit proposals that conformed to the instructions and stated that a proposal that failed to conform to the instructions may be rejected as deficient. AR, Tab 4, TORFP, amend. 0003 at ¶ M.1.

³ Under the cost efficiency factor, TSA assessed whether a proposal's total price was equal to or less than the federal cost estimate (FCE) of \$868,296,899. Proposals less
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became more important in the best-value tradeoff analysis. *Id.* at ¶ M.4. Factors 1-4 are not at issue here.

Under the past performance factor, offerors were to provide summaries of up to three prior contracts demonstrating similar performance requirements. AR, Tab 4, TORFP, amend. 0003 at ¶ L.4.1. TSA would evaluate proposals to determine the likelihood that an offeror would successfully perform the requirements. *Id.* at ¶ M.5.5. The agency would assess past performance references to determine whether they were relevant, meaning whether they were ongoing or performed within the last three years from January 2025, and were similar in size, scope, and complexity. *Id.* The agency would also assess offerors' demonstrated performance in quality, schedule, cost control, management, utilization of small businesses, regulatory compliance, and other areas. *Id.* The agency would consider Contractor Performance Assessment Reporting System (CPARS) reports as well. *Id.* at ¶ L.4.1. Under this factor proposals would receive a rating of high confidence, satisfactory confidence, unknown confidence (neutral), limited confidence, or no confidence. *Id.* at ¶ M.4.

Under the price factor, offerors were to submit price proposals using attachment L.A. – pricing template. AR, Tab 5, TORFP, amend. 0004 at ¶ L.2.1; AR, Tab 7, TORFP, amend. 0006 at BATES 0343-0354. Offerors were to submit pricing for labor rates, non-labor categories, TSA directed travel for training, and burdened labor rates and hours. AR, Tab 5, TORFP, amend. 0004 at ¶ L.2.1. Offerors were to certify that their proposed labor rates complied with the TSA minimum labor rates and the Service Contract Labor Standards (SCLS), which included a requirement to pay employees at least the same wages and fringe benefits reflected in a pre-existing collective bargaining agreement (CBA) included in the solicitation. *Id.* at ¶ L.2.3.1.

Offerors were also to submit a pricing narrative that included other pertinent information. *Id.* at ¶ L.2.2. Prices were evaluated in accordance with FAR section 15.404 and based on the following: the assumptions and contingencies offerors utilized in developing pricing, anticipated wages and fringe benefits to ensure compliance with TSA minimum employee compensation and SCLS rates, and whether staffing plans matched project labor hours and overall price. Additionally, the solicitation provided that the government may conduct a price realism analysis to ensure employee compensation was sufficient to produce adequate staffing. After these assessments were conducted, prices were evaluated for fairness and reasonableness. AR, Tab 4, TORFP, amend. 0003 at ¶ M.5.6. The FCE for this task order is \$868,296,899. AR, Tab 7, TORFP, amend. 0006 at ¶ M.5.1.

The agency received proposals from three offerors, including CAS and VMD. COS at ¶ 12. The agency evaluated proposals and included all three offerors in the competitive range. *Id.* at ¶¶ 15-16. On May 15, the agency issued discussion letters to the offerors,

than the FCE would be rated acceptable, and proposals greater than the FCE would be rated unacceptable and ineligible for award. AR, Tab 7, TORFP, amend. 0006 at ¶ M.5.1.

and all three offerors submitted final proposals. *Id.* at ¶ 17, 18. The agency evaluated the final proposal revisions (FPRs) and again determined that all three offerors were in the competitive range. *Id.* at ¶¶ 18-20. On July 8, the agency issued a second round of discussions letters to the offerors. *Id.* at ¶ 20. All offerors submitted second FPRs and the agency again evaluated proposals.⁴ *Id.* at ¶ 22. Evaluations were conducted by the technical evaluation team (TET), the past performance evaluation team (PPET), and the price/cost evaluation team (PET). The evaluation results for CAS and VMD were as follows:

	CAS	VMD
Cost Efficiency	Acceptable	Acceptable
Operational Readiness	Outstanding	Outstanding
Transition	Outstanding	Outstanding
Project Management and Training	Outstanding	Outstanding
Past Performance	High Confidence	High Confidence
Total Evaluated Price	\$827,176,547	\$803,243,537

AR, Tab 47, Tradeoff Analysis & Award Recommendation at BATES 2070.

After evaluating the proposals, which included a price realism analysis, the chairs of the TET, PPET, and the PET compared proposals and conducted the best-value tradeoff analysis. The chairs first compared CAS’s proposal to that of a third offeror and determined that CAS presented the better value. The chairs then compared CAS’s and VMD’s proposals. The chairs compared the proposals under each factor, noting the strengths and significant strengths they were assessed and the value of the strengths to the agency. The chairs concluded that under the cost efficiency, transition approach, and past performance factors, the proposals were essentially equal. Under the operational readiness approach and project management and training approach factors, the merits of CAS’s proposal slightly exceeded the merits of VMD’s. Regarding price, VMD’s price was 2.89 percent or \$23,933,010 lower than CAS’s. Both prices were determined to be realistic, and fair and reasonable. AR, Tab 47, Tradeoff Analysis & Award Recommendation at BATES 2053-2070; AR, Tab 46, Price Evaluation Report, amend. 0002 at BATES 1996-1997, 2015, 2024.

The chairs determined that CAS’s proposal possessed some merits that slightly exceeded those of VMD’s, but these were too minimal to justify CAS’s price premium. The chairs noted that VMD still received the highest possible rating for all non-price factors, and because the proposals were essentially equal in many ways, the fact that VMD’s price was lower became more important. The chairs concluded that VMD’s

⁴ Our review of the agency’s evaluation is based on offerors’ second FPRs.

proposal was the best value and recommended to the source selection authority (SSA) that VMD be chosen for award. AR, Tab 47, Tradeoff Analysis & Award Recommendation at BATES 2070-2071.

The SSA reviewed the individual proposals and the chairs' findings and ultimately concurred with the chairs' evaluation and tradeoff analysis and ultimate conclusion. Regarding the tradeoff between CAS's and VMD's proposals, the SSA stated that while the merits of CAS's proposal slightly exceeded those of VMD's, they were "too minimal to justify the additional \$23,933,010 price of the CAS proposal. . . . Although CAS's technical proposal was found to be slightly more beneficial to the government than VMD's proposal, both received the highest possible adjectival rating for all non-price factors." AR, Tab 48, Source Selection Decision Document (SSDD) at BATES 2089. The SSA concluded that VMD provided the best value to the government. *Id.* The agency issued the task order to VMD on September 19 and notified the other two offerors the same day. COS at ¶ 24. CAS received a debriefing on September 25. *Id.* at ¶ 26. This protest followed.⁵

DISCUSSION

CAS raises numerous challenges to the agency's evaluation of proposals. While we do not address every argument raised by CAS, we have considered them all and find that none provide us with a basis to sustain the protest.⁶ We note at the outset that in

⁵ The value of this task order exceeds \$10 million and therefore falls within our statutory grant of jurisdiction to hear protests of task and delivery orders valued in excess of \$10 million issued under civilian agency multiple-award IDIQ contracts. 41 U.S.C. § 4106(f)(1)(B).

⁶ CAS contends that the agency unreasonably evaluated VMD's proposal under the operational readiness approach, transition approach and project management and training approach factors and essentially asserts that it was impossible for VMD to propose a technical approach that merited the same ratings as CAS because CAS is the only contractor to perform this requirement since the start of the SPP program. Protest at 10-11. The agency and intervenor request that we dismiss these protest grounds, arguing that these challenges lack a valid basis of protest. We agree.

Our Bid Protest Regulations require that protests include a detailed statement of the legal and factual grounds of protest and that the grounds be legally sufficient. 4 C.F.R. § 21.1(c)(4) and (f). This requirement contemplates that protesters will provide, at a minimum, credible allegations that are supported by evidence and are sufficient, if uncontradicted, to establish the likelihood of the protester's claim of improper agency action. Protesters must provide more than a bare allegation; the allegation must be supported by some explanation *and evidence* that establishes the likelihood the protester will prevail in its claim of improper agency action. *Warfighter Focused Logistics, Inc.*, B-423546, B-423546.2, Aug. 5, 2025, at 4 (emphasis added). CAS provided no evidence that VMD's proposal failed to meet the requirements under any of

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reviewing protests of an agency's evaluation and source selection decision, even in a task or delivery order competition as here, we do not reevaluate proposals; rather, we review the record to determine whether the evaluation and source selection decision are reasonable and consistent with the solicitation's evaluation criteria and applicable procurement laws and regulations. *CSlope Sols., LLC, B-422249.2 et al.*, Dec. 10, 2025, at 6. A protester's disagreement with the agency's judgment, by itself, is not sufficient to establish that an agency acted unreasonably. *Id.*

Past Performance Evaluation

CAS raises two challenges to the agency's evaluation of VMD's past performance, discussed below. In reviewing a challenge to an agency's past performance evaluation, our Office will examine the agency's evaluation to ensure only that it was reasonable and consistent with the stated evaluation criteria and applicable statutes and regulations, since determining the relative merit of an offeror's past performance is primarily a matter within the agency's discretion. *CSlope Sols., LLC, supra*. The evaluation of past performance, by its very nature, is subjective; an offeror's disagreement with an agency's evaluation judgments, by itself, does not demonstrate that those judgments are unreasonable. *Id.*

CAS first asserts that the TSA unreasonably determined that VMD's past performance references are relevant because they are not similar in size and complexity to the requirement here. CAS contends that VMD's three references are all significantly smaller in size and significantly less complex. For example, CAS asserts that all references included fewer screening lanes and checkpoints, fewer flight gates, fewer baggage inspection areas, fewer passengers screened, and fewer screening employees. CAS contends that the agency did not meaningfully consider these significant differences between VMD's past performance references and the requirement here. Comments & Supp. Protest at 19-22.

The agency counters that it reasonably determined that VMD's references were relevant. TSA first notes that SFO is by far the largest airport in the SPP at a size of about \$830 million, and the next largest airport in the SPP is the Kansas City, Missouri Airport at a size of about \$127 million. MOL at 2 n.1. The agency explains that no other airport in the SPP is equal in size as compared to SFO and that CAS has been the incumbent for SFO since the program was created. *Id.* at 1. As a result, VMD could not possibly submit references for contracts performed under the SPP that were equal to SFO in terms of size, nor could any other offeror except CAS. *Id.* at 2.

TSA argues that it reasonably evaluated VMD references in light of this context. The agency first points out that each of VMD's references were for airport security screening

the technical factors but merely speculated that VMD could not have met the requirements based solely on CAS's incumbency. Such speculation does not meet the standard for evidence required by our regulations and therefore these protest grounds are dismissed.

services performed under the SPP. Therefore, each reference involved the same overall scope of work as this requirement because contracts in the SPP all have the same scope; that is, to provide security screening of passengers and baggage. MOL at 2; COS at ¶ 4. The agency also argues that the evaluators expressly acknowledged the size and complexity differences in all three references, but determined that, despite the differences in size and complexity, all three references were relevant because all three included the exact same scope, similar duties and functions performed, and use of similar equipment. MOL at 2-4.

We find that CAS has not demonstrated that the agency unreasonably determined that VMD's past performance references were relevant. As stated above, offerors were to provide summaries of up to three prior contracts demonstrating similar performance requirements. AR, Tab 4, TORFP, amend. 0003 at ¶ L.4.1. The agency would assess past performance references to determine whether they were relevant, meaning whether they were ongoing or performed within the last three years from January 2025, and were similar in size, scope, and complexity. *Id.* at ¶ M.5.5.

All three of VMD's references were for security screening services performed under the SPP. VMD's first reference is for services performed at the Kansas City International Airport (MCI) – a category I airport (CAT I)⁷ – which has a size of about \$131 million. AR, Tab 37, VMD Past Performance Proposal at BATES 1647; AR, Tab 43, Past Performance Evaluation Report at BATES 1847. VMD's second reference is for services performed at the Frederick Douglass Greater Rochester International Airport (ROC) - a CAT II airport – which has a size of about \$45 million. AR, Tab 37, VMD Past Performance Proposal at BATES 1649; AR, Tab 43, Past Performance Evaluation Report at BATES 1850. VMD's third reference is for services performed at the Atlantic City International Airport (ACY) – another CAT II airport – which has a size of about \$23.5 million. AR, Tab 37, VMD Past Performance Proposal at BATES 1651; AR, Tab 43, Past Performance Evaluation Report at BATES 1854.

The agency determined that all three references were of similar scope. Specifically, all three required the same security screening services of passengers and baggage conducted in accordance with TSA screening guidelines, utilization of TSA screening equipment, and providing the same deliverables and security training as SFO. AR, Tab 43, Past Performance Evaluation Report at BATES 1847, 1850, 1854-1855. Regarding size and complexity, the agency noted in its consideration of the first reference that the reference was smaller than the requirement here, but that the complexity was similar as MCI is a CAT I airport, which is the next highest rating behind

⁷ TSA categorizes airports as CAT X, I, II, III, and IV based on size and other considerations such as the number of takeoffs and landings and the extent of passenger screening. CAT X is reserved for the largest and highest-risk airports. CAT IV is reserved for the smallest and lower-risk airports. Protest at 3 n.5; MOL at 3 n.5; AR, Tab 1, TORFP at BATES 0019; Transportation Security Information Sharing: Stakeholders Generally Satisfied but TSA Could Improve Analysis, Awareness, and Accountability, GAO-12-44 at 4 n.9 (Nov. 2011).

CAT X. The agency further noted that the reference identified similar levels of intricacy, multiple facets of risk management, and understanding of the challenging aspects associated with the operations at a CAT X airport. *Id.* at BATES 1847. Despite the size difference, the agency concluded that the scope and complexity were similar to SFO and that this reference was relevant. *Id.*

In considering the second reference, TSA noted that it was smaller than the requirement here. The agency states that ROC is a CAT II airport and a CAT X airport like SFO involves a higher level of intricacy, challenging aspects, a different level of resources and risks, and more sophisticated risk management techniques. *Id.* at BATES 1850. The agency nevertheless concluded that, based on the entirety of the information provided in the reference, such as the scope of the reference, the reference was relevant. *Id.* In its consideration of the third reference, the agency again noted that it was smaller in size than the requirement here, as ACY is also a CAT II airport and the agency again listed the differences between a CAT II and a CAT X airport. However, the agency concluded that the reference was similar in scope and based on the entirety of the information provided, the reference was relevant. *Id.* at 1854.

The record shows that the agency fully considered the similarities and differences in size, scope, and complexity between VMD's references and the requirement here. The record also shows that the agency valued the fact that all of VMD's references had been performed under the SPP, which meant that, despite the differences, VMD was familiar with the duties to be performed, the equipment to be used, and the deliverables required. Finally, the agency's explanation in the agency report makes clear that the agency could not have expected VMD, or any other offeror except CAS, to provide a reference performed under the SPP program that was the same as SFO. SFO is the only CAT X airport in the SPP program, and CAS is the only offeror that has performed this requirement since the SPP program was created. In fact, the airport closest in size to SFO is MCI at about \$130 million, and VMD submitted a reference for MCI as described above.

CAS acknowledges that SFO is the only CAT X airport under the SPP but does not otherwise respond to the agency's argument that no offeror could have submitted a reference performed under the SPP that was of the same size as SFO. Comments & Supp. Protest at 2 n.2. Based on the record, we find that it was reasonable for the agency to conclude that VMD's references were relevant and that CAS's argument amounts to disagreement with the agency's judgment that, by itself, does not demonstrate that those judgments are unreasonable. *See Professional Sols. Delivered, LLC, B-422036.2 et al.*, Mar. 21, 2024, at 9 (denying protest challenging the agency's evaluation of other offerors' past performance references, explaining that the fact that a reference supplied by an offeror did not involve performing requirements identical to those contained in the solicitation did not mean that the agency was precluded from considering it to be highly relevant.); *and see Vector Planning & Servs., Inc.*, B-415005, Nov. 8, 2017, at 6 (denying protest challenging the agency's evaluation of the awardee's past performance references as relevant because two of the references were significantly smaller in magnitude than the requirement where the agency

acknowledged the differences in its evaluation and nevertheless concluded that the references were similar in scope and complexity).

CAS next asserts that the agency unreasonably assigned VMD's past performance a rating of high confidence. CAS bases this argument solely on a comparison to its performance as the incumbent and its own CPARS ratings. CAS argues that, since the agency assigned it a rating of high confidence based in part on its performance as the incumbent and its primarily positive CPARS ratings, it was "patently unreasonable [for the agency] to rate [CAS and VMD] equally" because VMD has never performed this requirement before and VMD's CPARS ratings are not as positive as CAS's. Protest at 14; Comments & Supp. Protest at 23.

CAS fails to show that the agency unreasonably assigned VMD's past performance a rating of high confidence. As stated above, in evaluating past performance, the agency would assess offerors' demonstrated performance in quality, schedule, cost control, management, utilization of small businesses, regulatory compliance, and other areas. AR, Tab 4, TORFP, amend. 0003 at ¶¶ M.5.5. The government would also consider CPARS reports. *Id.* at ¶¶ L.4.1.

We first note that CAS's argument is not consistent with the terms of the TORFP. That is, the agency was not required to base its decision whether to assign a rating of high confidence on a comparison to other offerors' proposals. To the extent CAS argues that its incumbent experience entitled it to a higher rating than other offerors because other offerors did not possess the same experience, we have stated many times that there is no requirement that an incumbent be given extra credit for its status as an incumbent, or that an agency assign or reserve the highest rating to the incumbent offeror. *Professional Sols. Delivered, supra.*

We also note that, in any case, the record shows that the agency's rating of high confidence was reasonable. After reviewing all three of VMD's references, the agency concluded that VMD consistently exceeded performance measures, delivered significant benefits beyond requirements, and demonstrated a proactive problem-solving approach and a strong work ethic. The agency noted that VMD provided enhanced techniques that improved security screening effectiveness which benefitted the government by maintaining security and ensuring a safe travel experience. The agency further noted that VMD's recognition programs led to high employee retention, further enhancing the efficiency and effectiveness of screening operations. AR, Tab 43, Past Performance Evaluation Report at BATES 1847, 1850, 1854-1855. Regarding VMD's CPARS reports, the agency noted that VMD's CPARS reports for all three references demonstrated no negative findings. VMD received a significant amount of exceptional and very good ratings, and the remaining of VMD's ratings (about half) were satisfactory. No ratings were marginal. *Id.* at BATES 1855. Based on these findings, the agency concluded that VMD's proposal merited a rating of high confidence. *Id.* As a result, this protest ground is denied.

Price Evaluation

CAS raises several challenges to the agency's evaluation of price. While we do not address every argument raised, we have considered them all and find that none provide us with a basis to sustain the protest. Our review of CAS's primary challenges to the agency's price evaluation follows.

Price Realism Analysis

CAS first contends that the agency failed to consider VMD's proposed fringe benefit rates in its price realism analysis. CAS argues that the agency never evaluated VMD's fringe benefit rates and only summarily concluded that they were sufficient. CAS also argues that VMD's fringe benefit rates are too low and compares VMD's fringe benefit rate to its own rates to prove its point. Supp. Comments at 3, 4 n.2, 5; Comments & Supp. Protest at 12-13.

The agency responds that it reasonably evaluated VMD's fringe benefit rates, and the record evinces this. The agency asserts that the solicitation stated that the purpose of the price realism analysis was to ensure that an offeror's price would provide sufficient employee compensation, and the agency conducted its evaluation in accordance with this purpose. The agency states that the price evaluation team (PET) considered VMD's fringe benefit rates included in VMD's total hourly compensation rates and confirmed that they met or exceeded the minimum wage rate requirements. Additionally, VMD's proposal expressly stated that its fringe benefit rates were compliant with the TSA minimum rates, the SCLS, and the CBA provided in the solicitation. The PET concluded that VMD intended to provide adequate employee compensation to ensure sufficient staffing throughout performance. The agency also asserts that CAS's argument is not based on the "specific buildup" of VMD's rates or the agency's analysis and conclusions, but only a comparison to CAS's rates, which does not demonstrate that the agency's evaluation was unreasonable. Supp. MOL at 2-3.

We find that CAS has not demonstrated that the agency's price realism analysis was unreasonable. Where an RFP contemplates the award of a fixed-price contract or task order, price realism is not ordinarily considered, since a fixed-price contract or task order places the risk and responsibility for costs and resulting profit or loss on the contractor. *General Dynamics Info. Tech., Inc., B-417616.2 et al.*, Mar. 31, 2020, at 13. However, an agency may provide for the use of a price realism analysis for the limited purpose of assessing technical understanding or risk. *Id.*; FAR 15.404-1(d)(3). The depth of an agency's price realism analysis is a matter within the sound exercise of the agency's discretion, and we will not disturb such an analysis unless it lacks a reasonable basis. *General Dynamics Info., supra*.

As described above, under the price factor, offerors were to submit their price proposals using attachment L.A. – pricing template. Among other things, offerors were to submit pricing for labor rates and certify that their labor rates complied with the TSA minimum labor rates and the SCLS, which included a requirement to pay employees at least the same wages and fringe benefits reflected in a pre-existing CBA. Prices were evaluated

in accordance with FAR section 15.404 and based, in part, on the anticipated wages and fringe benefits to ensure compliance with TSA minimum employee compensation and SCLS rates. The solicitation provided that the government may conduct a price realism analysis to ensure employee compensation was sufficient to produce adequate staffing. AR, Tab 4, TORFP, amend. 0003 at ¶ M.5.6.

The record shows that the PET reviewed VMD's proposed combined wage and fringe benefit rates and concluded that they complied with TSA's minimum rates and the SCLS. VMD's rates relevant to this part of the analysis are its total hourly compensation rates, which are a composite of its hourly anticipated wage rate and its fringe benefit rate. For example, VMD's proposal provides that the anticipated hourly wage rate for a transportation security officer with one year of experience on the contract is \$[DELETED]/hour, and the fringe benefit rate for this position is \$[DELETED]/hour, for a total hourly compensation rate of \$[DELETED]/hour.⁸ MOL at 3; AR, Tab 36, VMD Price Proposal at 163.⁹

The PET noted that VMD's total hourly compensation rates were equal to or higher than the TSA minimum hourly rates. For example, the TSA minimum hourly rate for a transportation security officer with one year of experience on the contract is \$42.21, and VMD's proposed rate is \$[DELETED]. Further, the TSA minimum hourly rate for a lead transportation security officer with one year of experience on the contract is \$54.56, and VMD's proposed rate is \$[DELETED]. VMD certified several times in its proposal that its rates were compliant with the TSA minimum rates, the SCLS, and that VMD would comply with the terms of the CBA. AR, Tab 36, VMD Price Proposal at BATES 1484. Based on this information, the PET concluded that VMD's proposed rates were compliant with the terms of the solicitation. AR, Tab 46, Price Evaluation Report, amend. 0002 at BATES 2000-2002.

CAS insists that the evaluation did not include consideration of the individual fringe benefit rate. This claim is belied by the record as the agency clearly considered the fringe benefit rates as part of VMD's total hourly compensation rates, which were compared to TSA's own minimum hourly rates. *See Dynamic Sec. Concepts, Inc.* B-416013, B-416013.2, May 15, 2018, at 7 (an agency may use a variety of techniques within its realism evaluation, and there is no obligation in a price realism analysis to verify each and every element of an offeror's price). Additionally, CAS's comparison of VMD's fringe benefit rates to its own fringe benefit rates does not demonstrate that the agency failed to conduct its evaluation in accordance with the terms of the solicitation. TSA was under no obligation to compare VMD's and CAS's fringe benefit rates as part of its price realism analysis, and thus CAS's argument amounts to disagreement with the agency's analysis. Accordingly, we find no merit to this allegation.

⁸ This is not the fully burdened rate, which for this same position and experience level is \$[DELETED]. AR, Tab 36, VMD Price Proposal at 163.

⁹ The final page of VMD's price proposal does not appear to have been labeled with a BATES number. Citations to this page are made to the Adobe PDF page number.

CAS next contends that the agency failed to consider the risk associated with VMD's "relatively low" blended labor rate for regular and premium hours and the "significant" amount of premium hours VMD proposed.¹⁰ CAS refers to the requirement that offerors propose "separate regular and premium (overtime) labor hours and rates, as applicable," which required offerors to demonstrate how many hours staff would work and the rate they would be paid depending upon whether the hours were within the regular schedule or were beyond the regular schedule, such as overtime, and therefore constituted premium hours and pay. AR, Tab 5, TORFP, amend. 0004 at ¶ L.2.1. CAS acknowledges that while VMD's rates met the minimum requirements and there was not a limit or set amount of premium hours offerors had to propose, CAS nevertheless argues that, based on a comparison to CAS's labor rates and proposed premium hours, VMD's labor rates and amount of premium hours shows a lack of understanding of the solicitation requirements. CAS contends that the agency only summarily concluded that VMD's blended rate for regular and premium hours was adequate and failed to compare this rate to the number of premium hours VMD proposed. Comments & Supp. Protest at 14-15; Supp. Comments at 1, 6-7.

The agency responds that it assessed VMD's blended rate and the amount of its premium hours and reasonably determined that VMD's rate was not too low and that its proposed hours were consistent with the terms of the solicitation. The agency points to the PET's evaluation of VMD's blended rate and premium hours and argues that it shows that VMD stated it detailed the number of regular and premium hours, noting that premium hours include such things as overtime hours, and that its blended rate is consistent with the CBA and other terms of the solicitation. The agency asserts that, on this basis, it was reasonable for the PET to conclude VMD's blended rate and premium hours met the requirements.

We agree with the agency that CAS has not shown that the agency failed to evaluate VMD's blended rate or premium hours in accordance with the terms of the solicitation or lacked a reasonable basis for its conclusions. To the extent CAS argues that the agency did not meaningfully consider VMD's blended rate and the amount of premium hours, this claim is again belied by the record. The PET reviewed VMD's pricing template and noted that VMD's second FPR included premium hours and detailed the number of anticipated regular and premium hours by labor category and performance period. The PET also noted that VMD's proposal stated that its premium hours include, but are not limited to, those described by the CBA such as overtime hours, shift differential, and Sunday differential hours. The PET further noted that VMD used a blended rate between regular pay rates and premium pay rates across all labor categories, inclusive of all seniority bands, and that is why VMD's labor rates for regular and premium hours are the same. AR, Tab 46, Price Evaluation Report, amend. 0002 at BATES 2009; AR, Tab 36, VMD Price Proposal at BATES 1629-1634. The PET

¹⁰ Premium hours refers to the amount of overtime hours an offeror anticipated its staff would need to work beyond regular hours. AR, Tab 5, TORFP, amend. 0004 at ¶ L.2.1; MOL at 4.

concluded that VMD's revisions and explanation were acceptable. AR, Tab 46, Price Evaluation Report, amend. 2 at BATES 2015. CAS's comparison of its own labor rates and premium hours to VMD's, by itself, does not demonstrate that the agency's evaluation was unreasonable.

To the extent CAS argues that VMD was required to submit two different rates for premium and regular hours, whether blended or not, the solicitation did not require different rates. As stated above, the TORFP states in the instructions for the price volume that "Offerors shall propose separate regular and premium (overtime) labor hours and rates, as applicable." AR, Tab 5, TORFP, amend. 0004 at ¶ L.2.1. The TORFP does not state that these rates must be different and it does not state that blended rates were prohibited. Further, CAS has not provided us with any information demonstrating that VMD's blended rate does not conform to the solicitation's requirements or that it was illogical for the agency to conclude that this rate was acceptable. See *Grant Thornton, LLP*, B-408464, Sept. 25, 2013, at 8 (denying protester's objection to the terms of the solicitation regarding potential price evaluation issues in part because the solicitation language did not prohibit vendors from proposing blended rates).

Non-Labor Costs

CAS asserts that the agency unreasonably evaluated VMD's non-labor costs. Specifically, CAS asserts that the solicitation's pricing template required offerors to propose non-labor costs for every non-labor cost category listed in the template. Two of these non-labor cost categories were insurance and leased space. CAS asserts that VMD's price proposal does not include these costs and therefore the agency should have found VMD's price proposal noncompliant. Supp. Comments at 7-10.

The agency responds that offerors were not required to provide non-labor costs for every category listed in the pricing template, rather the pricing template merely provided a list of potential non-labor cost categories that offerors could separately price. Regarding insurance, the agency acknowledges that the solicitation required offerors to have and maintain insurance approved by SFO. The agency asserts, however, that this did not mean offerors had to include the cost of insurance in their price proposals. Rather, offerors were free to decide whether to include such a cost in their price proposal or not. Regarding leased space, the agency asserts that there is no requirement that offerors lease space or include the cost of leased space in the price proposals. The agency asserts that while offerors are required to comply with the solicitation terms regarding availability of personnel, training, break rooms, etc., there is no requirement that offerors lease space to meet these requirements. Supp. MOL at 5-7.

We agree with the agency that offerors were not required to propose these specific non-labor costs, and CAS has not demonstrated otherwise. We first note that as a general matter, when awarding a fixed-price order or contract, an agency is only required to

determine whether offered prices are fair and reasonable. FAR 15.402(a).¹¹ An agency's concern in making a price reasonableness determination focuses primarily on whether the offered prices are higher than warranted, as opposed to lower. *1st SBC Sols., LLC*, B-423172.4, B-423172.5, Aug. 1, 2025, at 10. Where a dispute exists as to a solicitation's requirements, we begin by examining the plain language of the solicitation. *NTT Data Servs., supra* at 10. When a protester and agency disagree over the meaning of solicitation language, we will resolve the matter by reading the solicitation as a whole and in a manner that gives effect to all its provisions; to be reasonable, and therefore valid, an interpretation must be consistent with the solicitation when read as a whole and in a reasonable manner. *Id.*

Regarding non-labor costs, the solicitation required that offerors include an itemized list of all non-labor costs with their price proposals. AR, Tab 5, TORFP, amend. 0004 at ¶ L.2.1. Regarding insurance, the TORFP required the contractor to obtain and maintain an approved insurance policy as required by SFO. AR, Tab 1, TORFP at BATES 0040. The pricing template provides tables for each period of performance and some of these tables are for non-labor costs. The tables list examples of different types of non-labor costs, such as leased space, consumables, uniforms, badging, janitorial services, insurance, travel, supplies, internet service, and parking. The tables then provide many additional rows, each labeled "Additional items." AR, Tab 7, TORFP, amend. 0006 at BATES 0343-0354. The solicitation did not say anything further regarding the insurance offerors were required to obtain as required by SFO.

Based on a plain reading of the TORFP, we conclude that it did not in fact require offerors to propose insurance costs. While the TORFP required the contractor to have an approved insurance policy and keep it on file with SFO, such a performance requirement does not indicate that offerors had to include a price for this policy in the pricing template. The template indicates that offerors were permitted to separately include insurance costs, as they were permitted to include other costs, such as parking. With regard to CAS's allegations about leased space, the TORFP does not include any requirements regarding leased space. For the same reasons discussed above in connection with pricing for insurance policies, we conclude that leased space was also not required to be priced. This protest allegation is denied.

Best-Value Tradeoff

Finally, CAS asserts that the agency conducted an improper best-value tradeoff analysis. CAS asserts that the agency did not look behind the adjectival ratings and consider the differences between proposals, such as the strengths that were assessed to CAS's proposal that were not assessed to VMD's. CAS contends that the agency

¹¹ Although task order procurements conducted under FAR subpart 16.5 are not subject to the same requirements as those conducted under FAR part 15, FAR section 16.505(b)(3) directs agencies to establish prices for task orders consistent with the policies and methods contained in FAR subpart 15.4. FAR 16.505(b)(3); *NTT Data Servs. Fed. Gov't, LLC*, B-419197.2, July 6, 2021, at 5.

merely looked at the adjectival ratings for both proposals and summarily concluded that the proposals were equal. CAS contends that this erroneous determination caused the agency to conclude that CAS's proposal did not merit its price premium. Comments & Supp. Protest at 24-27.

Where, as here, a solicitation provides for issuance of a task order on a best-value tradeoff basis, it is the function of the source selection authority to perform a price/technical tradeoff. *Valiant Gov't Servs., LLC*, B-423740, B-423740.2, Nov. 26, 2025, at 14. An agency has broad discretion in making a tradeoff between price and non-price factors, and the extent to which one may be sacrificed for the other is governed only by the tests of rationality and consistency with the solicitation's stated criteria. *Id.* The agency's rationale for any price/technical tradeoffs made and the benefits associated with the additional costs must be adequately documented. FAR 16.505(b)(1)(iv)(D), (b)(7)(i); *Accenture Fed. Servs. LLC, et al.*, B-417111.5 *et al.*, Sept. 4, 2019, at 13. Adjectival ratings and point scores are but guides to, and not substitutes for, intelligent decision making. *AlliantCorps, LLC*, B-415744.5, B-415744.6, Nov. 23, 2018, at 7. A protester's disagreement with the agency's determination, without more, does not establish that the evaluation or source selection was unreasonable.

The record shows that the agency reasonably conducted its best-value tradeoff analysis and meaningfully considered the merits of each proposal under each factor. The only evidence CAS offers to support its claims are citations to the last two pages of the best-value tradeoff analysis regarding CAS's and VMD's proposals, which include the agency's concluding remarks and findings. See Comments & Supp. Protest at 24-27; AR, Tab 47, Tradeoff Analysis & Award Recommendation at BATES 2070-2071. The protester seemingly ignores more than 15 pages immediately preceding these two pages that detail a factor-by-factor and strength-by-strength comparison of the proposals. See AR, Tab 47, Tradeoff Analysis & Award Recommendation at BATES 2053-2071.

For example, in the best-value tradeoff analysis under the project and management training approach factor, the chairs of the TET, the PPET, and the PET noted first that each proposal had been assessed a rating of outstanding. The chairs then noted how many strengths each proposal had received and explained each strength. The chairs compiled the strengths into a table for a side-by-side comparison of the proposals' offerings, and each strength included a reference to the solicitation requirement for which it related. The chairs detailed in a narrative the benefits and the value of the strengths, as well as which strengths were considered equal and were therefore offset, or which strengths were unique and were not offset. Finally, the chairs concluded that under this factor, the merits of CAS's proposal slightly exceeded those of VMD's, noting that CAS's proposal contained additional elements that were beneficial to the government. AR, Tab 47, Tradeoff Analysis & Award Recommendation at BATES 2061-2066.

The chairs conducted a similar evaluation process for each factor. See AR, Tab 47, Tradeoff Analysis & Award Recommendation at BATES 2053-2069. After the comparisons under each factor were concluded, the chairs proceeded to compare the proposals based on the final ratings. The chairs stated that under the cost efficiency, transition approach and past performance factors, the proposals were essentially equal. Under the operational readiness approach and project management and training approach factors, the merits of CAS's proposal slightly exceeded the merits of VMD's proposal. Regarding price, the agency noted that VMD's price was 2.89 percent, or \$23,933,010, lower than CAS's. The chairs also noted that the operational readiness approach; transition approach; project management and training approach; and past performance factors were significantly more important than price, but as the merits of the non-price factors became equal, price would become more important. *Id.* at BATES 2070. The chairs determined that while the merits of CAS's proposal slightly exceeded VMD's, they were too minimal to justify CAS's price premium given that VMD's proposal also received the highest possible ratings and provided many appealing offerings to the agency. The chairs recommended VMD as the best value to the SSA. *Id.* at BATES 2071. The SSA reviewed these findings and the basis for them and concurred with the conclusions. AR, Tab 48, SSDD at BATES 2088-2089.

As a result, the record shows that the agency performed an in-depth comparison of VMD's and CAS's proposals and expressly considered the merits of each proposal under each factor, including all of CAS's strengths. The record also shows that after these comparisons, the agency determined that CAS's price premium was not worth its slightly better offerings. As a result, we conclude that CAS has not shown that the agency conducted an improper tradeoff analysis or lacked a reasonable basis for its conclusions. See *Science Applications Int'l Corp.*, B-416780, Dec. 17, 2018, at 3 (explaining that generally, in a negotiated procurement--including task order procurements subject to the provisions of FAR subpart 16.5 that use negotiated procurement techniques--an agency may properly select a lower-rated, lower-priced

quotation where it reasonably concludes that the technical superiority of the higher priced quotation does not outweigh the price advantage of the lower-priced quotation).

The protest is denied.

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