U.S. GOVERNMENT ACCOUNTABILITY OFFICE
441 G St. N.W.
Washington, DC 20548

Comptroller General
of the United States

Decision

Matter of: Abacus Technology Corporation--Costs

File: B-423607.6, B-423607.13

Date: July 28, 2026

Alexander B. Ginsberg, Esq., and Robert C. Starling, Esq., Fried, Frank, Harris, Shriver & Jacobson LLP, for the protester.
Colonel Nina R. Padalino, Geoffrey R. Townsend, Esq., Major Princess Gaye, Beatrice K. Foster, Esq., and Cheronne R. Wilson, Esq., Department of the Air Force, for the agency.
Kenneth Kilgour, Esq., and Heather Weiner, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Request that GAO recommend reimbursement of protest costs related to the challenges to the agency's price realism evaluation and best-value tradeoff analysis are granted where the agency unduly delayed taking corrective action in response to clearly meritorious allegations.

2. Request that GAO recommend reimbursement of costs of filing and pursuing protest related to the challenge of the evaluation of the awardee's technical proposal is denied where the allegation was not clearly meritorious and was severable from the clearly meritorious grounds.

DECISION

Abacus Technology Corporation, a small business of Chevy Chase, Maryland, requests that our Office recommend that the protester be reimbursed the reasonable costs of filing and pursuing its protests challenging the issuance of a task order to SMS Data Products Group, Inc., of McLean, Virginia, under fair opportunity proposal request (FOPR) No. RS3-24-0025, issued by the Department of the Air Force for information technology support services for the Air Force Central Command's Network Operations and Security Center (NOSC). The protester asserts that the agency unduly delayed taking corrective action in the face of clearly meritorious protest allegations.

We grant the request in part and deny it in part.

BACKGROUND

The agency issued the FOPR on December 10, 2024, pursuant to the procedures in Federal Acquisition Regulation (FAR) subpart 16.5, to small businesses holding Responsive Strategic Sourcing for Services multiple-award indefinite-delivery, indefinite-quantity (IDIQ) contracts issued by the Air Force. Agency Report (AR), Tab 4, Conformed FOPR at 1.[1] The task order, containing fixed-price and cost reimbursable not-to-exceed contract line items (CLINs), anticipated a 60-day phase-in period, a 10-month base period, and five 1-year option periods. *Id.* The FOPR provided for award to the offeror whose proposal represented the best value to the agency, considering the following five technical factors and price: (1) evidence of a top-secret security clearance; (2) transition and phase-in plan; (3) technical experience; (4) technical solution; and (5) program and staffing management solution. *Id*. at 11-13. The first three factors were to be evaluated on a pass/fail basis. *Id*. at 13. Only proposals receiving pass ratings under those three factors were to be evaluated under factors four and five. *Id*. The technical solution factor was more important than the program and staffing management factor; combined, these two factors were significantly more important than price. *Id.*

Under the technical solution factor, the FOPR required that the offeror's proposal "demonstrate[ ] a logical and appropriate mix of labor categories, skill levels and staffing levels to meet all tasks under the PWS [performance work statement]." *Id*. at 13. Under the program and staffing management solution factor, the agency was to consider whether the solution "demonstrates a logical and appropriate approach to recruit, on-board, and retain fully qualified personnel at all performance locations addressing compensation and benefits packages and any other incentives to minimize turnover and retain highly qualified personnel." *Id.* at 14

The solicitation advised offerors that the agency would conduct a price realism analysis and that "[i]f the proposed Total Overall Evaluated Price (TOEP) appears unrealistic, and the Offeror fails to explain how its technical approach results in a reduced price, the Government may consider the Offeror as having lack of understanding of the requirement." *Id*. at 14. The solicitation further advised offerors that price realism would be evaluated by calculating the mean and standard deviation of the TOEPs of all technically acceptable proposals; technically acceptable proposals with a TOEP that exceeded one standard deviation below the mean would be considered unrealistic and un-awardable. *Id*. If an offeror's TOEP was no more than one standard deviation below the mean and the proposed labor categories and full-time equivalent (FTE) counts from the price proposal matched the labor categories and FTE counts shown in the technical proposal, the agency would consider the proposed price realistic and reflective of a clear understanding of the PWS requirements. *Id.* at 15. The realism analysis would not involve an analysis of individual labor category labor rates. *Id.*

[1] Citations are to the agency report provided in response to Abacus's protest, B-423607 and B-423607.3.

Ten offerors, including Abacus and SMS, submitted proposals. AR, Tab 9, Fair Opportunity Evaluation Report (FOER) at 2. Only the proposals of Abacus and SMS were evaluated as pass under factors one, two, and three, and only those two proposals remained in the competition. *See id*. at 8. The table below summarizes the agency's evaluation of the proposals of Abacus and SMS:

<table>
<tr><th rowspan="3">Offeror</th><th colspan="3">Pass/Fail Factors</th><th colspan="5">Trade-Off Factors</th></tr>
<tr><td rowspan="2">Evidence of Top-Secret Facility Clearance</td><td rowspan="2">Transition & Phase-In Approach</td><td rowspan="2">Technical Experience</td><td rowspan="2">Technical Solution</td><td rowspan="2">Program & Staffing Mgmt. Solution</td><td colspan="3">TOEP</td></tr>
<tr><td>Reasonable</td><td>Realistic</td><td>Balanced</td></tr>
<tr><td rowspan="2">Abacus</td><td rowspan="2">Pass</td><td rowspan="2">Pass</td><td rowspan="2">Pass</td><td rowspan="2">Good</td><td rowspan="2">Acceptable</td><td colspan="3">$237,693,967</td></tr>
<tr><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td rowspan="2">SMS</td><td rowspan="2">Pass</td><td rowspan="2">Pass</td><td rowspan="2">Pass</td><td rowspan="2">Acceptable</td><td rowspan="2">Acceptable</td><td colspan="3">$146,571,969</td></tr>
<tr><td>Y</td><td>Y</td><td>Y</td></tr>
</table>

Id. at 7.

The Air Force considered the total prices of both offerors to be fair and reasonable based on adequate price competition. AR, Tab 10, Fair Opportunity Decision Document (FODD) at 9. The Air Force performed a standard deviation analysis of the two offerors' prices and concluded that both met the solicitation criteria to be considered realistic, with Abacus's TOEP a standard deviation of +1.00 from the mean and SMS's TOEP a standard deviation of -1.00 from the mean. *Id.*

The evaluators further noted, however, that "[m]athematically with two technically acceptable proposals, the standard deviation would be -1 and +1 regardless of TOEP;" thus, "[t]o instill more confidence and fidelity in the Government's evaluation of realism and the Offeror's understanding of the requirement, the historical price was conferred to aid in this assessment." AR, Tab 9, FOER at 14. The agency recognized that the "two are not exactly the same as the historical and recompete pricing composition differ" but they are "still considered a suitable basis for comparison." *Id*. at 14-15.

The agency's analysis identified two primary areas of difference between the "historical and recompete" prices. *Id.* at 15. First, the CLIN structure and composition were different; the historical contract provided large, estimated cost reimbursable CLINs, while the recompete FOPR required offerors to include all labor and labor support prices in their fixed-price labor CLINs. *Id.* Second, the evaluators explained that "the historical [fixed-price] staffing approach proposed by the current incumbent contractor and accepted by the Government is significantly different than what has been used to execute the requirement throughout the life of the task order." *Id*. The incumbent contractor proposed [DELETED] personnel to support the requirement but "has been successful in executing this requirement using an average of [DELETED] personnel over the life of the task order." *Id.* (footnote omitted).

Because of these differences, the agency determined that "the previous requirement and new requirement do not allow an apples-to-apples comparison." *Id.* at 16. Nevertheless, the agency determined "some basic analysis of the annual values can be applied for a better understanding of the realism impact of the prices proposed for this recompeted action":

> The last option year (option year 3) of the current requirement has a total value of $32.9M. For analysis purposes, this equates to approximately $[DELETED] per person when dividing the total value by the historical incumbent's proposed [DELETED] personnel. Applying this per person value to the average number of personnel the incumbent has been using to successfully perform the NOSC requirements ([DELETED], see paragraph above) equates to approximately $[DELETED] for an adjusted, hypothetical annual value. This value is more closely aligned with the recompeted annual value proposed by SMS than Abacus. SMS's first full 12-months of performance (option year 1) has a value of $21.9M as opposed to Abacus's at $35.6M.

Id. The FOER provided no further rationale for why this analysis demonstrated the realism of SMS's proposed price. *See id*. The selection decision reiterated this analysis. *See* AR, Tab 10, FODD at 9-10.

The source selection authority (SSA) acknowledged that Abacus's proposal was higher rated than SMS's under the technical solution factor and that the two adjectivally rated technical factors, when combined, were significantly more important than price. *Id*. at 13. The SSA nonetheless determined the technical superiority of Abacus's proposal did not justify the 62 percent price premium. *Id.* In the SSA's view, "[t]he magnitude of this premium massively outweighs the relative value of the merits associated with the higher-evaluated proposal." *Id*. at 14. The Air Force issued the task order to SMS, *id*., and Abacus filed a protest with our Office of that award--docketed B-423607--on June 9, 2025.[2]

On July 9, the Air Force filed its agency report responsive to the initial protest allegations. The protester requested, and the agency provided, additional documents. On July 21, Abacus filed its comments and a supplemental protest, docketed as B-423607.2. The Air Force issued a supplemental agency report with additional exhibits on July 28. The protester filed supplemental comments on August 4. On August 8, the

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[2] Because the estimated value of the issued task order is over $25 million, this procurement is within our jurisdiction to hear protests related to the issuance of orders under multiple-award IDIQ contracts awarded under the authority granted in title 10 of the United States Code. 10 U.S.C. § 3406(f)(1)(B).

GAO attorney conducted a case status teleconference. On August 13, the contracting officer submitted a supplemental statement that reiterated the calculation discussed above:

> To understand the *actual* cost of the requirement, I multiplied their average staffing level ([DELETED] personnel) by the price per person ($[DELETED]). (AR Tab 9 at [16].) This calculation yielded a value of $25,717,944. Therefore, $25,717,944 is considered to be a more accurate representation of the current cost of performing the requirement, as it is based on the actual number of personnel used, rather than the originally proposed (but ultimately unused) staffing level of [DELETED]. This value is also discussed in paragraph 3.3.7.2 of the FOER.

Agency Resp. to GAO Second Notice of Comment at 11. The protester filed its response the following day.

In final record development, on August 14, the GAO attorney referred to the monthly program status report for the incumbent contractor and posed the following question to the agency:

> The agency calculates the "*actual*" cost of performance by taking a figure that is essentially column 2 [**$32,891,006**] and dividing it by the number of proposed personnel ([DELETED]) and multiplying the result by the actual number of employees, on average ([DELETED]). [Agency Response to GAO Second Notice of Comment] at 11. Why isn't the actual cost of performance the figure in column four – Cumulative ($) [**$31,704,318**]? Isn't that the amount that the agency has actually spent this year on contract performance?

Notice of Question for Agency at 1. The contracting officer responded that "[t]he expected final cost for the final option year is the amount represented in column two of the subject table [**$32,891,006**]." Agency Resp. to Notice of Question at 3-4. The contracting officer explained that she used that amount in her analysis to conclude that $25,717,944 was an accurate representation of the current cost of performance. *Id*. at 4. Following a litigation risk alternative dispute resolution teleconference, the agency took corrective action, *see* Notice of Corrective Action, and Abacus withdrew its protest.

In conducting the corrective action, the Air Force performed a reevaluation of the pass/fail technical experience factor. Contracting Officer's Statement (COS) B-423607.8 at 10. As a result, two offerors with proposals that initially had been evaluated as receiving a fail rating under the technical experience factor received a rating of pass. *Id.* Those two offerors' prices were thus considered in the price re-evaluation. *Id*., *citing* AR, Tab 9, FOER at 12-14 (describing standard deviation analysis using four total prices, rather than the previous two). As relevant here, the standard deviation analysis in the reevaluation contained four--rather than two--prices, and the price realism analysis did not include the calculation described above of the average price per employee. COS B-423607.8 at 11, *citing* AR, Tab 9, FOER at 11-12.

The Air Force again issued the tack order to SMS, AR B-423607.8, Tab 15, Unsuccessful Offeror Letter at 1, and Abacus again protested that award to our Office. The agency's debriefing advised Abacus that there were more than two technically acceptable offerors' prices included in the standard deviation calculation. AR B-423607.8, Tab 17, Agency Resp. to Supp. Questions at 1. Abacus again asserted that the Air Force failed to evaluate SMS's incumbent capture plan, conducted an unreasonable price realism evaluation, failed to consider the difference in proposed staffing plans, and performed a flawed best value tradeoff analysis. Protest B-423607.8 at 23, 27, 34, and 36. Abacus's comments on the agency report included a supplemental protest allegation that the agency unreasonably reevaluated two offerors' proposals as acceptable when those proposals failed to meet the minimum requirements of the technical solution factor. Comments and Supp. Protest B-423607.8 at 19. Abacus argued that, had the agency not found those proposals acceptable, the offerors' proposed prices would not have been included in the standard deviation calculation. *Id.* at 24. GAO requested that the agency produce the technical proposals for the two offerors. Electronic Protest Docketing System (Dkt.) No. 33, B-423607.8, and the Air Force complied. The protester filed a second supplemental protest asserting additional reasons why one of the two offerors' proposals should not have been found acceptable and included in the standard deviation calculation. 2nd Supp. Protest at 3. In lieu of filing a supplemental agency report--and on the day that supplemental report was due--the agency announced its intent to take corrective action and requested the protest's dismissal. Our Office then dismissed the protest as academic. *Abacus Tech. Corp.*, B-423607.8 *et al.*, Feb. 11, 20206 (unpublished decision).[3]

DISCUSSION

Requests for Costs 1[4]

Abacus requests that GAO recommend that the protester be reimbursed the costs incurred challenging the evaluation of the technical proposals, the realism of the awardee's price, the reasonableness of the best value tradeoff analysis, and the evaluation of the awardee's technical proposal. Req. for Costs 1 at 2-4. In support of its request, Abacus contends that its protest was clearly meritorious, that the agency unduly delayed in taking corrective action, and that Abacus's allegations are intertwined.

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[3] Abacus also protested the scope of the agency's corrective action; the protester withdrew that protest, docketed as B-423607.11, after the agency clarified the corrective action.

[4] Request for Costs 1 is Abacus's claim arising from B-423607 and B-423607.3. Requests for Costs 2 is the claim arising from B-423607.8, B-423607.9, and B-423607.10. We consider the two requests separately, although the analyses are related.

Id. at 2-4, 21-22. The Air Force contends that "Abacus's request completely fails to show that its allegations were clearly meritorious." Agency Resp. to Req. for Costs at 3. When a procuring agency takes corrective action in response to a protest, our Office may recommend reimbursement of protest costs under 4 C.F.R. § 21.8(e) if we determine that the agency unduly delayed taking corrective action in the face of a clearly meritorious protest. *2TechJV--Costs*, B-420960.7, Aug. 27, 2024, at 5. This principle is intended to prevent inordinate delay in investigating the merits of a protest and taking corrective action once an error is evident, so that a protester will not incur unnecessary effort and expense in pursuing its remedies before our Office. *Id*. A protest is clearly meritorious when a reasonable agency inquiry into the protest allegations would show facts disclosing the absence of a defensible legal position. *Id.* While we consider corrective action to be prompt if it is taken before the due date for the agency report responding to the protest, we generally do not consider it to be prompt where it is taken after that date. *Id.*

Here, the record demonstrates that the agency took corrective action after the submission of the agency report and the supplemental agency report, and the protester's and intervenor's comments and supplemental comments. The Air Force does not assert that its corrective action was prompt. *See* Agency Resp. to Req. for Costs at 3 (arguing that the allegations were not clearly meritorious). Thus, we consider whether Abacus's protest grounds were clearly meritorious. Based on our review of the record, and as discussed below, we conclude that the challenges to the price realism evaluation and best value tradeoff analysis were clearly meritorious and that the challenge to the evaluation of technical evaluations was not. Accordingly, we grant in part and deny in part this request.

Price Realism Analysis

Abacus argued that the Air Force's price realism analysis substantially underestimated the difference between SMS's proposed price and the actual cost of performance by the incumbent contractor. Comments and Supp. Protest at 25. The protester asserted that "[the incumbent contractor's] [monthly status report (MSR)], which was so central to the agency's realism analysis, expressly represented to the agency that [the incumbent's] per-person costs have increased 'significantly' from what it proposed, as was necessary to recruit qualified personnel and fill vacancies." *Id*. The Air Force contends that the agency's evaluation was in accordance with the solicitation requirements. Memorandum of Law (MOL) at 8.

Price realism is an assessment of whether prices are too low, such that there may be a risk of poor performance. *IBM Corp., IBM Consulting--Fed*., B-421471 *et al*., June 1, 2023, at 16. Where a solicitation anticipates the award of a task order with fixed-price CLINS, the realism of the proposed CLIN prices is not ordinarily considered, because the risk and responsibility for contract costs are on the contractor. *Id.* Nonetheless, a solicitation may provide for a price realism analysis for purposes of measuring an offeror's understanding of the solicitation requirements or assessing risk. *Id*. Our review of an agency's price realism analysis is limited to determining whether it was reasonable and consistent with the terms of the solicitation. *Id*.

As discussed above, the agency conducted the following price realism analysis. The Air Force performed a standard deviation analysis of the two proposed total prices, which--as would always be the case in a standard deviation analysis involving only two prices--resulted in one price being one standard deviation above the mean and the other price being one standard deviation below the mean.[5] After acknowledging the limitations of a comparison of historical and proposed pricing, such that the comparison would not be apples-to-apples, the agency performed the following calculation: (1) the total value of the last option year of the incumbent contract is $32.9 million dollars; (2) using the incumbent's proposed [DELETED] personnel--rather than the actual number of personnel performing the contract--the agency concluded that the per person contract value of the incumbent contract was $[DELETED]; and (3) multiplying that per person amount by [DELETED]--the number of performing incumbent personnel--"equates to approximately $25.7M for an adjusted, hypothetical annual [contract] value." AR, Tab 9, FOER at 16. The agency concluded "[t]his value is more closely aligned with the recompeted annual value proposed by SMS than Abacus. SMS's first full 12-months of performance (option year 1) has a value of $21.9M as opposed to Abacus's at $35.6M." *Id.*

Abacus contended that the Air Force unreasonably evaluated the realism of the awardee's proposed price because the agency performed the above calculation using the [DELETED] FTEs proposed by CACI, Inc.--Federal as the denominator, when the incumbent was performing with [DELETED] FTEs. Comments and Supp. Protest at 25, *citing* AR, Tab 10, FODD at 16 (recounting the same calculation--described above--in AR, Tab 9, FOER at 16). The choice of the number of proposed personnel for the denominator artificially lowered the total price per employee and thus the estimate of the overall price of performance. The Air Force's supplemental agency report offered no defense of its use of [DELETED] FTEs, rather than [DELETED] FTEs, as the denominator when making this calculation. *See* Supp. COS/MOL.

We agree with the protester that its challenge to the reasonableness of this facet of the Air Force's price realism analysis was clearly meritorious. To review, the agency noted that the last option year of the incumbent contract had a "total value of $32.9 [million]." AR, Tab 9, FOER at 16. This was consistent with the incumbent contractor's February 2025 monthly program status report (MPSR), which showed funding of that amount, with over $31.7 million spent. AR, Tab 14, MPSR at 15. The contracting officer stated that "[t]he expected final cost for the final option year" was $32.9 million. Resp. to GAO Question for Agency at 3-4. It is thus undisputed that the final option year of contract performance would cost nearly $33 million. Nevertheless, the agency conducted an unnecessary and flawed calculation to arrive at $25.7 million as "the *actual* cost of the

[5] *See* AR, Tab 10, FODD at 9 ("Mathematically with two technically acceptable proposals, the standard deviation would be -1 and +1 regardless of TOEP.")

requirement[.]"[6] Resp. to GAO Notice of Req. of Agency at 11. The Air Force then compared the awardee's total proposed price of $21.9M for option year 1 to the wrongly calculated total cost of performance--$25.7M--rather than compare the awardee's proposed price to what the agency knew to be the cost of performance--$32.9M. AR, Tab 9, FOER at 16; *see* Resp. to GAO Notice of Req. of Agency at 11.

The Air Force's realism analysis did not compare the awardee's proposed cost of the first option year of the awarded contract to what the agency knew to be the cost of the final option year of performance of the incumbent contract. Abacus asserted that use of the [DELETED] FTEs to calculate an average cost per employee was unreasonable, and it was unreasonable when the contract dollars were being expended on an appreciably smaller number of employees. The record demonstrates that this calculation was integral to the agency's determination that the awardee's proposed price was realistic. The agency offered no response nor a defensible legal position to the allegation--and we find none. We thus conclude that Abacus's challenge to the reasonableness of the agency's evaluation of the realism of the awardee's proposed price was clearly meritorious.

Failure to Distinguish Between Proposals in Best Value Tradeoff Analysis

The protester argues that the Air Force failed to consider the differences in the offerors' staffing plans during the agency's tradeoff analysis. For the reasons discussed below, we agree with the protester and conclude that the protester's challenge to the reasonableness of the agency's best-value tradeoff analysis was also clearly meritorious.

Abacus proposed [DELETED] FTEs, and SMS proposed 148. AR, Tab 10, FODD at 13. The Air Force found that Abacus proposed "personnel with standards that exceed the stated minimum requirements." *Id.* Abacus alleged that the Air Force failed to "significantly distinguish" Abacus's proposal from SMS's under the two adjectivally rated technical factors in conducting the best-value tradeoff analysis. Comments and Supp. Protest at 27. Abacus contended that "[w]hile the agency's analysis showed that Abacus proposed more--and more experienced--personnel than SMS proposed, the FOER fails to analyze or justify why these two obvious advantages of Abacus' proposal were not viewed as key discriminators (or discriminators at all) in Abacus' favor." *Id.* at 29. The protester argued that, even if the Air Force viewed SMS's proposed level of effort and personnel qualifications as adequate to perform the requirement, the agency nevertheless failed to explain why Abacus's proposal did not "significantly *exceed*" the

[6] Specifically, the agency incorrectly divided the cost of performance for the final option period by the number of proposed--not actual--employees. The correct estimate of cost per employee was the performance cost divided by the number of actual personnel. The agency's inaccurate calculation yielded a difference in historical and actual cost of approximately 17 percent, AR, Tab 9, FOER at 16, when the difference was more than twice that.

solicitation requirement. *Id.* In addition, Abacus contended that the agency's memorandum of law responding to this protest ground "provide[d] no substantive response to the agency's failure to distinguish Abacus' proposal from SMS' [proposal]" based on the quantity and quality of proposed personnel. Comments and Supp. Protest at 29.

GAO may sustain a protest where an agency fails to discuss to any meaningful degree the comparative differences between offerors' proposed levels of effort. *CEdge Software Consultants, LLC*, B-418128.2 *et al*., Mar. 19, 2020, at 7 (sustaining protest where "the contemporaneous record [did] not include any information to support the conclusion that the agency, in making its source selection decision, performed a meaningful, qualitative assessment or critical comparative analysis of the quotations under the technical capability factor, and specifically not in the staffing plan subfactor.").

In conducting the tradeoff analysis, the source selection authority (SSA) stated that "[t]he staffing mixes from each Offeror were deemed acceptable but are vastly different[,]" AR, Tab 10, FODD at 11, and that "[b]oth staffing solutions were determined to be adequate." *Id.* at 13. The record reflected that the SSA repeatedly considered nothing more than the adequacy of the staffing plans. *Id.* at 11 ("The staffing mixes from each Offeror were deemed acceptable but are vastly different."); *id.* at 13 ("Both staffing solutions were determined to be adequate").

It is axiomatic that agencies are required to look behind adjectival ratings. Our Office has consistently explained that agencies may not base their selection decisions on adjectival ratings alone, as such ratings serve only as guides to intelligent decision-making; source selection officials are required to consider the underlying bases for ratings, including the advantages and disadvantages associated with the specific content of competing proposals. *Federal Mgmt. Sys*., B-422222, B-422222.2, Mar. 6, 2024, at 7. The source selection here, however, reflects that the Air Force relied solely on the adjectival ratings assigned to the offerors' proposals without meaningfully looking behind those ratings at any distinguishing characteristics of the offerors' proposed solutions:

> Based on the provisions of the solicitation, the proposals, the technical evaluation and price analysis, I cannot justify paying the substantial price premium for Abacus's higher-rated proposal in Factor 4 in light of SMS's acceptable proposal with same evaluation outcome in Factor 5.

AR, Tab 10, FODD at 13.

We agree with the protester. The Air Force failed to consider the differences in the offerors' staffing plans in the tradeoff analysis. The SSA's statement that under the program and staffing management solution factor SMS's proposal received "the same evaluation outcome" as the protester's proposal ignores what the agency itself identified as vast differences, indicating that the Air Force did not look behind the adjectival ratings. This failure by the agency was unreasonable and contrary to our case law.

Moreover, the Air Force did not respond to Abacus's contention that the agency failed to meaningfully consider differences in the staffing plans of the offerors. *See* Supp. COS/MOL (providing no defense to the protester's assertion that the Air Force's best value tradeoff analysis unreasonably failed to consider the offerors' vastly different staffing plans). We thus find the record supports a determination that the allegation was clearly meritorious.

Awardee Plan for Incumbent Capture

Abacus maintained that the Air Force unreasonably credited the awardee's proposal for its plan to recruit 95 percent of incumbent personnel because the Air Force failed to analyze under both the technical solution factor and the program and staff management solution factor whether that plan was feasible given the awardee's proposed compensation levels. Comments and Supp. Protest at 16, *citing Alutiiq Pacific, LLC*, B-409584 *et al*., June 18, 2014, at 8-9; *see* AR, Tab 7, SMS Technical Proposal at 45 ("Based on our communications with current personnel and our historically successful process for hiring incumbent personnel, we expect to achieve a 95% incumbent capture rate.") In other words, Abacus asserted that the agency was required to conduct an evaluation of the consistency of the awardee's labor rates with its technical approach. *See* Comments and Supp. Protest at 16. The protester argued that the evaluation lacked congruence between SMS's plan to retain most of the incumbent workforce and the awardee's proposed compensation levels. *Id*.

As noted above, under the technical solution factor, the agency was to evaluate an offeror's proposal to determine if it "demonstrates a logical and appropriate mix of labor categories, skill levels and staffing levels to meet all tasks under the PWS [performance work statement]." FOPR at 13. Under the program and staffing management solution factor, the agency evaluation was to consider whether the offeror's proposed solution "demonstrates a logical and appropriate approach to recruit, on-board, and retain fully qualified personnel at all performance locations addressing compensation and benefits packages and any other incentives to minimize turnover and retain highly qualified personnel." *Id.* at 14.

The kind of consistency analysis that Abacus asserted was required is simply a price realism analysis by another name. *Booz Allen Hamilton, Inc*., B-422823, B-422823.2, Nov. 18, 2024, at 3-4 n.2. Abacus argued that proposals contained the information necessary for the Air Force to evaluate the adequacy of the awardee's proposed compensation. Protester's Post-Teleconference Comments at 6. That offerors were instructed to prepare their proposals in a certain manner, however, did not obligate the agency to perform the analysis Abacus desired. *Booz Allen Hamilton*, *supra.* To the contrary, the FOPR put offerors on notice that the price realism analysis would determine whether an offeror's FTE count in its price proposal matched the FTE count shown in the technical proposal but would not involve an analysis of individual labor rates. FOPR at 15. The agency conducted the required comparison of the FTE counts and found that SMS's proposal satisfied that requirement. AR, Tab 24, Recompete Price Evaluation Workbook, FTE verification tab.

Because the Air Force advised offerors that the price realism analysis would not consider individual labor rates, the agency was precluded from performing the analysis Abacus asserted was required, namely, an evaluation of whether the awardee's labor rates were consistent with its technical proposal. *See High Plains Computing, Inc-d/b/a HPC Sols.*, B-422934, Dec. 6, 2024, at 4 (noting that, in a fixed-price procurement, an agency is precluded from conducting a price realism analysis for which there was not an express provision in the solicitation, or for which the solicitation did not place offerors on notice that the agency contemplated that analysis). We thus conclude that this allegation was not clearly meritorious.

Severability

Abacus argues that any protest allegation not deemed meritorious on its own was intertwined with and non-severable from clearly meritorious protest grounds. Req. for Costs at 22.[7] We disagree and for the reasons discussed below conclude that the protester's allegation regarding the awardee's plan for incumbent capture--which as explained above, we find was not clearly meritorious--is severable from the two meritorious protest grounds. Accordingly, we do not recommend the reimbursement of protest costs for this allegation.

Generally, when resolving requests for recommendations for protest costs, we will recommend a successful protester receive costs incurred with respect to all issues pursued, not merely those upon which it prevails. *22nd Century Techs., Inc.--Costs*, B-422659.4, Jan. 14, 2025, at 5. In our view, limiting recovery of protest costs in all cases to only those issues on which the protester prevailed would be inconsistent with the broad, remedial Congressional purpose behind the cost reimbursement provisions of the Competition in Contracting Act, 31 U.S.C. § 3554(c)(1)(A). *Id.* On the other hand, failing to limit recovery of protest costs in all instances of partial or limited success by a protester may result in an unjustified windfall to the protester and cost to the government. *Id.* at 5-6.

Accordingly, in appropriate cases, we have limited the recommended reimbursement of protest costs where a part of the costs is allocable to a losing protest issue that is so severable as to essentially constitute a separate protest. *Id.* at 6. In determining whether protest issues are so clearly severable as to essentially constitute a separate protest, we consider, among other things, the extent to which the issues are interrelated or intertwined--*i.e.*, the extent to which successful and unsuccessful arguments share a common core set of facts, are based on related legal theories, or are otherwise not readily severable. *Id*. In applying these principles, we have severed costs arising from allegations of misevaluation of quotations from a clearly meritorious challenge to the adequacy of the agency's best-value tradeoff rationale. *Id.* We have further severed

[7] The Air Force did not address the issue of the potential intertwining of protest allegations. *See* Agency Resp. to Req. for Costs.

costs arising from allegations of misevaluation of quotations from a clearly meritorious allegation of unequal discussions. *Id*.

As we discussed above, we find clearly meritorious the allegations that the Air Force unreasonably evaluated the realism of the awardee's proposed price and failed to give meaningful consideration in the best value tradeoff analysis to the vast differences in the offerors' staffing plans. The allegation that the agency unreasonably evaluated the awardee's technical proposal is not clearly meritorious and is severable from the two clearly meritorious allegations.

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As relevant here, after the agency conducted corrective action in response to Abacus's initial protest (B-423607 and B-423607.3) and again issued the task order to SMS, Abacus filed another protest, docketed with our Office as B-423607.8, B-423607.9. and B-423607.10. Abacus argues that it is entitled to recover the costs incurred in connection with this protest because the allegations were clearly meritorious and the Air Force unduly delayed taking corrective action until after Abacus had filed both its comments and supplemental protest and second supplemental protest. Req. for Costs at 1-2. The Air Force argues that it "articulated defensible factual and legal positions in response to all of Abacus' allegations." Agency Resp. to Req. for Costs at 4. With regard to the supplemental allegations, the Air Force contends that its corrective action was prompt because it was filed prior to the due date for submission of the supplemental agency report.

In this protest, Abacus again alleged that the agency failed to consider the awardee's plan for incumbent capture and that the agency failed to consider the vast differences in the offerors' staffing plans in conducting the best-value tradeoff. As discussed above, we determined the first allegation to be without merit and the second to be clearly meritorious. Those determinations remain unchanged here because they are based on a similar record.

In the supplemental protest allegations, Abacus again challenges the agency's price realism evaluation. However, during corrective action, as discussed above, the Air Force conducted a different price realism evaluation than it had initially. *See* AR B-423607.8, Tab 9, FOER. Specifically, the Air Force reevaluation of price realism did not contain the calculation of price per employee that formed the basis of the prior unreasonable evaluation. *See id*. at 4. Importantly, the agency's technical evaluation resulted in a doubling of the number of offerors whose proposals were eligible for award and whose prices were therefore included in the standard deviation analysis. *Id*. at 11-12. As discussed above, in its supplemental protests, Abacus contested the reasonableness of the technical evaluation that found the two additional proposals acceptable, resulting in the two respective proposed prices being included in the standard deviation calculation.

We agree with the agency that its corrective action was prompt with respect to the supplemental allegations. Corrective action is prompt with respect to supplemental protests when it is announced prior to the due date for the supplemental agency report. *CSM Sols., Inc.--Costs*, B-420936.3, Jan. 4, 2023, at 5. The deadline for the supplemental agency report was January 30, 2026. Dkt. No. 36. The agency filed its corrective action and request for dismissal on January 30. Notice of Corrective Action at 1. Because the agency did not unduly delay taking corrective action in response to the supplemental allegations, we do not recommend that protester be reimbursed the cost of pursuing those claims, regardless of their merit. *CSM Sols.*, *supra*.

RECOMMENDATION

We recommend that Abacus be reimbursed the costs associated with filing and pursuing its challenges to the reasonableness of the evaluation of the realism of the awardee's proposed price raised in the initial (B-423607 and B-423607.3) protest and the protester's allegation that the agency unreasonably failed to consider the differences in the offerors' staffing plans that was raised in both the initial (B-423607 and B-423607.3) protest and the subsequent (B-423607.8, B-423607.9. and B-423607.10) protest. We do not recommend reimbursement of the costs associated with the protester's challenge to the evaluation of the awardee's technical proposal or to the supplemental protest grounds challenging the technical evaluation of the other offerors' proposals that resulted in the two additional respective proposed prices being included in the standard deviation calculation. Abacus should submit its certified claim, detailing the time spent and costs incurred, directly to the agency within 60 days of its receipt of this decision. 4 C.F.R. 21.8(f)(1).

The request is granted in part and denied in part.

Edda Emmanuelli Perez
General Counsel