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

Comptroller General
of the United States

Decision

Matter of: VGS Infrastructure Services, Inc.

File: B-424543; B-424543.3

Date: September 9, 2026

Aron C. Beezley, Esq., and Gabrielle A. Sprio, Esq., Bradley Arant Boult Cummings LLP, for the protester.
Damien C. Specht, Esq., James A. Tucker, Esq., Brian E. Doll, Jr., Esq., and Jillian I. Stern, Esq., Morrison & Foerster LLP, for Pond Constructors, Inc., the intervenor.
Robert I. Moore, Esq., and Allen S. Black, Esq., Department of the Army, for the agency.
Kenneth Kilgour, Esq., and John Sorrenti, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Allegation that the agency's discussions were misleading, unfair, or not meaningful is denied where the protester cannot demonstrate that it was prejudiced by the agency's conduct of discussions.

2. Protest that the agency unreasonably evaluated technical proposals is dismissed where the source selection evaluation board's discussion of unannounced evaluation criteria conferred no protest rights on any offerors.

3. Protest that the agency unreasonably evaluated price proposals is denied where the evaluation was consistent with the solicitation and procurement law and regulation and reasonable.

4. Allegation that the agency conducted a defective best-value tradeoff analysis is denied where the record demonstrates that the analysis was consistent with the evaluation findings and reasonable.

DECISION

VGS Infrastructure Services, Inc., (Versar), of Greenville, South Carolina, protests the award of a contract to Pond Constructors, Inc., of Peachtree Corners, Georgia, under request for proposals (RFP) No. W912DY26RA002, issued by the Department of the Army, U.S. Army Corps of Engineers (USACE) for preventive and corrective maintenance of petroleum facilities and systems. Versar contends that the Army conducted misleading discussions, unreasonably evaluated technical and price proposals, and performed a flawed best-value tradeoff analysis.

We deny the protest.

BACKGROUND

The solicitation, issued in accordance with Federal Acquisition Regulation (FAR) part 15, sought the issuance of a fixed-price contract with a period of performance of 3.5 years--one 12-month base, two 12-month options, and one 6-month option. Agency Report (AR), Tab 3, RFP at 16. Award would be made to the offeror whose proposal provided the Army with the best value, considering the following factors, listed in descending order of importance: technical and management approach; past performance; small business participation; and price. AR, Tab 3_5, Instructions to Offerors at 10. The technical factors, when combined, were significantly more important than price. *Id*. Only proposals evaluated as at least acceptable under the technical and management approach and small business participation factors and no less than satisfactory or neutral confidence under the past performance factor would be eligible for award. *Id*.

Under the technical and management approach factor, the evaluation was to encompass both the adequacy of an offeror's response and the feasibility of the offeror's proposed approach. AR, Tab 3_5, Instructions to Offerors at 11-12. Among other things, the Army was to analyze each offeror's proposed "approach to understanding and performing Service Orders [SOs] at a fair and reasonable price[,]" and to consider the level of risk presented by an offeror's proposed technical and management approach. *Id.* at 12. The Army would assign each proposal under this factor an adjectival rating of outstanding, good, acceptable, marginal, or unacceptable. *Id*.

Under the past performance factor, the solicitation required offerors to "provide past performance information to demonstrate their ability to successfully perform the requirements of this solicitation." *Id*. at 6. That information was to address recency, relevancy, and quality of products or services. *Id.* A relevant project was one "that is similar and logically connected to the context of this solicitation in terms of scope (dollar value, size, project type, contract type) and magnitude of effort and complexities as the work outlined in this solicitation." *Id*. Offerors were required to submit a minimum of two and a maximum of five completed projects and were permitted to submit interim or final contractor performance assessment reporting system (CPARS) reports and past performance questionnaires (PPQs). *Id*. Past performance would be evaluated as very relevant, relevant, somewhat relevant, or not relevant. *Id*. at 14. Based on the recency, relevancy, and quality of an offeror's past performance, the Army would assign the past performance factor a performance confidence rating of substantial confidence, satisfactory confidence, neutral confidence, limited confidence, or no confidence. *Id*.

The solicitation did not set forth the criteria that would be used to assess the relevance of the "dollar value, size, project type, [and] contract type." *See id*. at 6, 12-14.

For the price factor, offerors had to complete and submit an agency-provided pricing worksheet. *Id.* at 8; AR, Tab 3_7, Pricing Worksheet. This worksheet identified contract line item numbers (CLINs) for preventive maintenance and a separate CLIN for corrective maintenance. AR, Tab 3_7, Pricing Worksheet. For three of the preventive maintenance CLINs (X001-X003), offerors had to propose separate fixed prices for work at multiple locations.[1] *Id.* at 5-13. For the corrective maintenance CLIN X004, the agency provided a set price of $44,363,415 that would be included in the total price calculation for all offerors. *Id.* at 14. The solicitation explained that corrective maintenance would be performed through the issuance of service orders (SOs) during contract performance and the price for those SOs would be charged to CLIN X004. *Id.*; AR, Tab 3_1, Performance Work Statement (PWS) at 40-41. Although the agency provided the total price for this CLIN, offerors had to propose an SO fee consisting of proposed profit and other indirect markups (*e.g.*, overhead or general and administrative expenses) that would be applied to any SOs the agency issued against CLIN X004. AR, Tab 3_7, Pricing Worksheet at 14. Offerors also had to provide labor rates for a variety. *Id.* at 28-30. The solicitation explained that these rates would be "binding and become the maximum allowable rates on the awarded contract." AR, Tab 3_5, Instructions to Offerors at 9.

An offeror's total price was calculated by adding the amounts proposed for each of the preventive maintenance CLINs for the base and option years to the set price of $44,363,415 for the corrective maintenance CLIN X004. *Id.* at 16; AR, Tab 3_7, Pricing Worksheet at 1. This total price would be evaluated for fairness and reasonableness but not realism. AR, Tab 3_5, Instructions to Offerors at 16. As relevant to this protest, the RFP also contained Defense Acquisition Regulation Supplement (DFARS) provision 252.204-7024, Notice on the Use of the Supplier Performance Risk System. RFP at 69.

The Army received proposals from four firms, including the protester and the awardee. *See* AR, Tab 10, Source Selection Decision Document (SSDD) at 6. Following the agency's initial evaluations, the agency established a competitive range of all offerors. *Id.* As part of the initial evaluations, and notwithstanding that only four offerors submitted proposals, the source selection evaluation board (SSEB) performed various standard deviation analyses of price proposals using the offerors proposed prices and rates. Relevant here, the agency determined that rates that exceeded +1 standard deviation were unreasonably high and rates falling below -1 standard deviation were "lower than the average." AR, Tab 9A, Initial Price Comparison Report at 4.

The Army "opened discussions with all offerors [in accordance with] FAR [section] 15.2306(d) to address any proposal deficiencies prior to the final award decision," and

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[1] CLINs X005-X007 covered additional prices related to preventive maintenance, such as other direct costs and irregular preventive maintenance. *Id*. at 20-26.

asked offerors to "[p]lease correct and address all issues identified." AR, Tab 7B, First Versar Discussion Letter at 1. The agency identified in the initial discussions letter to Versar certain of its labor rates that had "been deemed high based on competition." *Id*. at 2. "Versar shuffled its pricing on 30 labor rates." Supp. AR at 4, *comparing* Comments and Supp. Protest, exh. C, Versar Final Proposal Revision (FPR) 1 at 28 (changed labor rates are highlighted in yellow) *with* Comments and Supp. Protest, exh. A, Versar Initial Proposal at 28. Versar's total proposed contract price of $50,388,070 remained the same after the first round of discussions. Supp. AR at 4. In a second round of discussions, the Army advised Versar that "[t]here are no additional items for discussion." AR, Tab 7D, Second Versar Discussion Letter. The second discussion letter permitted the protester to provide a revised final proposal. *Id.*

The Army also conducted discussions with Pond. In the awardee's first discussions letter, similar to the discussions with Versar, the agency identified various labor rates that it "deemed high based on competition." The discussion letter also highlighted two of Pond's CLIN prices and its overall price, and the Army requested that Pond "validate that you can perform the work at the proposed price." AR, Tab 7A, First Pond Discussion Letter at 2. In response, Pond reduced its total proposed price from $48,918,048 to $48,718,556. *Compare* AR, Tab 4A_9, Pond Initial Proposal at 1 *with* AR, Tab 4C_6, Pond FPR1 at 1. In the second round of discussions, the agency did not identify any specific prices or rates from Pond's proposal but stated that it had "some additional items for discussion," namely, a request that the offeror "confirm that the proposed prices are sufficient to complete the work as detailed in the Performance Work Statement (PWS)." AR, Tab 7C, Second Pond Discussion Letter at 1-2.

The source selection authority (SSA) identified four strengths[2] in Pond's proposal under the technical and management approach factor: the implementation of the computerized maintenance management system, a comprehensive SO execution plan, key personnel whose experience exceeds PWS requirements, and the use of [DELETED] for fuel system mapping and repair work. AR, Tab 10, SSDD at 8. The SSA noted that the Army determined that the three past performance projects submitted by Pond were "recent and relevant and acceptable [in accordance with] the solicitation."[3] AR, Tab 10, SSDD at 8.

The SSA also identified four strengths in Versar's proposal under the technical and management approach factor: the integration of the computerized maintenance management system, a highly detailed SO execution plan, key personnel experience that surpasses PWS requirements, and the provision of an additional site manager

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[2] A strength was defined as an aspect of a proposal with merit or that exceeds specified performance or capability requirements to the advantage of the government during contract performance. AR, Tab 3_5, Addendum to 52.212-1 at 11.

[3] This is inconsistent with the SSEB Report, which found two of Pond's past performance references very relevant. AR, Tab 9, SSEB Report at 21.

beyond the minimum PWS mandate. *Id.* The SSA noted that all five of Versar's past performance references were found to be recent and relevant.[4] AR, Tab 10, SSDD at 8.

In evaluating price, the agency performed additional standard deviation analyses. For example, the SSEB determined that, "[i]f an offeror's overall proposed price was less than the -1 Standard Deviation," "a confirmation that the Offeror[']s technical approach demonstrated a clear understanding of the work [in accordance with] the PWS should be verified with the [technical and management approach factor] evaluation." AR, Tab 9, SSEB Report at 48. The SSEB also applied the same standard deviation analysis to an offeror's proposed SO fee. Pond proposed an SO fee of [DELETED] percent, and Versar proposed a fee of [DELETED] percent. *Id.* at 55. The average SO fee was [DELETED] percent, the standard deviation of the four fees was [DELETED] percent, and the +1 standard deviation was [DELETED] percent, or 0.23 percent lower than Pond's proposed SO fee. *Id.* The SSEB thus identified Pond's total SO fee as being more than +1 standard deviation. *Id.*

The Army assigned the same adjectival ratings to the proposals of Pond and Versar: outstanding under the technical and management approach factor; substantial confidence under the past performance factor; and outstanding under the small business participation factor. AR, Tab 10, SSDD at 7. Pond's proposed price of $48,781,556 was lower than Versar's proposed price of $50,388,070. *Id.* The agency found the total proposed price of both offerors fair and reasonable. *Id*. at 8.

The SSA noted that both offerors' proposals were rated outstanding under the technical and management approach factor because they "received a strength for Comprehensive Computerized Maintenance Management System (CMMS) and Key Personnel Experience" and "received a strength for Detailed and Thorough Service Order (SO) Execution Plans." *Id*. at 9. In addition, Versar's proposal received a strength for proposing an extra roving manager and Pond received a strength for its proposed use of [DELETED] at project sites. *Id*. The SSA determined that the two offerors were "experienced contractors in the Preventative Maintenance and Corrective Maintenance Program (PMCM)," as evidenced by their receipt of "Substantial Confidence ratings for Factor 2, Past Performance, based upon the numerous recent, very relevant and successful Contractor Performance Assessment Reporting System (CPARS) ratings received on their PMCM projects submitted." *Id*. at 9. Lastly, the SSA noted that both offerors' proposals received ratings of outstanding under the small business participation factor. *Id*.

In making the award decision, the SSA stated that, "[g]iven the equality of the proposals in all non-price factors, price became the sole determining factor in the best-value

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[4] Again, the SSA misstated the underlying SSEB evaluation finding that two of Versar's past performance references were determined to be very relevant. AR, Tab 9, SSEB Report at 28.

tradeoff decision." *Id*. While price was the least importance factor, the SSA asserted that price was "the only differentiator among the otherwise equal proposals." *Id.* The SSA noted that Pond's proposed price was approximately $1.6 million less than the next lowest-priced vendor, Versar. *Id.* at 10. The SSA found the proposals submitted by Pond and Versar "equal in the areas of CMMS and Key Personnel" and decided that they "provided the same benefit to the Government, as they each merited a strength for the quality of their 'Detailed and Thorough Service Order (SO) Execution Plan.'" *Id*. The SSA found that the proposals provided "the same level of confidence regarding past performance and were substantially equal in their dedication to and commitment to small business[es]." *Id.* While Versar proposed an extra onsite manager, the SSA determined that there was no justification for paying for the additional personnel. *Id*. Because the two offerors' proposals were "considered technically equal and capable," the SSA selected Pond's lowest-priced proposal for award. *Id.* The Army awarded the contract to Pond, *id*., and this protest followed.

DISCUSSION

Versar argues that the agency's discussions with the protester were misleading, unfair, and not meaningful. Versar asserts that the Army failed to evaluate technical and price proposals in accordance with the RFP and applicable regulations. The protester contends that the agency conducted a defective best-value tradeoff analysis.[5] We discuss these allegations below, and we deny them.[6]

Conduct of Discussions

Versar contends that when the Army opened discussions with Versar to "address any proposal deficiencies[,]" AR, Tab 7B, First Versar Discussion Letter at 1, and provided Versar with an itemized list of labor categories for which its proposed labor rates had "been deemed high based on competition," *id*. at 2-3, the agency misled Versar to believe that the Army had identified all Versar's proposed labor rates that the Army had deemed high. Comments and Supp. Protest at 8-9. In this regard, after Versar responded to the first round of discussions, the agency's second round of discussions with Versar stated that there were no additional items for discussion. AR, Tab 7D, Second Versar Discussion Letter. Versar asserts, however, "there were numerous proposed labor rates in Versar's proposal which ***never changed*** from Versar's initial

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[5] The protester withdrew its allegation that the Army failed to consider the effect of a recent corporate transaction involving Pond on Pond's ability to perform in a manner consistent with its proposal. Comments and Supp. Protest at 1 n.1. Versar also withdrew its allegation that the Army disparately evaluated the relevance of past performance references. Supp. Comments at 36.

[6] While we do not address every facet of every allegation, we have reviewed all challenges to the conduct of the procurement and find that none of them provides a basis on which to sustain the protest.

proposal submission, which were subsequently evaluated by the Agency to be unreasonably high, and which were ***never*** discussed with Versar--in either the first or the second round of discussions." Comments and Supp. Protest at 9. In support of this, Versar points to the agency finding in its final evaluation of Versar's FPR that 29 of the protester's rates were "unreasonably high." *Id.* at 6-8; AR, Tab 9, SSEB Report at 61. The protester asserts that, had the Army's second round of discussions with Versar raised its concerns over the rates that the agency's evaluation deemed unreasonably high, "Versar would have calibrated its FPR2 submission to address and respond to the Agency's concerns."[7] Comments and Supp. Protest at 10.

The agency contends that even if the discussions were improper, Versar cannot show prejudice because the agency evaluated, and considered in its best value tradeoff decision, only the offeror's overall price, which the agency found to be fair and reasonable. The calculation of total price in the pricing worksheet was unaffected by any of the offeror's proposed labor rates. *See* AR, Tab 3_7, Pricing Worksheet. This is why, according to the agency, Versar was able to reduce labor rates following the first round of discussions without reducing its total price. The agency explains that the finding that Versar proposed unreasonably high labor rates therefore had no bearing on the award decision. Supp. AR at 13-14; Req. for Dismissal at 2-3. Versar maintains that it was prejudiced by the improper discussions because if discussions were conducted properly, it "would have been able to improve its competitive standing for purposes of the best-value tradeoff analysis--thereby substantially increasing Versar's likelihood of receiving an award under this RFP, where Versar was the second-lowest priced offeror and price became the determining factor in the Agency's award decision." Supp. Comments at 71.

Discussions, when conducted, must identify proposal deficiencies and significant weaknesses and should discuss other aspects that reasonably could be addressed to materially enhance the offeror's potential for receiving award. FAR 15.306(d)(3); *Torrent Techs., Inc*., B-419326, B-419326.2, Jan. 19,2021, at 12. When an agency engages in discussions with an offeror, the discussions must be "meaningful," that is, sufficiently detailed to lead an offeror into the areas of its proposal requiring amplification or revision. *See* FAR 15.306(d)(3); *Torrent Techs*., *supra*. In addition, competitive prejudice is an essential element of every viable protest; where the protester fails to demonstrate that, but for the agency's actions, it would have had a substantial chance of receiving the award, there is no basis for finding prejudice, and our Office will not sustain the protest, even if deficiencies in the procurement are found. *Dynamic Sec. Concepts, Inc.*, B-416013, B-416013.2, May 15, 2018, at 11. Unspecific statements that the protester would have revised its proposal and reduced its price, are insufficient to establish a presumption of prejudice. *See Deloitte Consulting, LLP*,

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[7] We note that the Army's final evaluation also found that some of Pond's proposed labor rates were "unreasonably high." AR, Tab 9, SSEB Report at 51-52. Yet the Army did not raise those labor rates with Pond in its second round of discussions. *See* AR, Tab 7A, First Pond Discussion Letter; Tab 7C, Second Pond Discussion Letter.

B-422094, B-422094.2, Jan. 18, 2024, at 10; *ASRC Fed. Sys. Solutions, LLC*, B-420443, B-420443.2, Apr. 12, 2022, at 10 (noting that a general contention that the protester might have revised its proposal during further discussions is insufficient to show competitive prejudice).

On this record, the agency's failure to raise with Versar its concerns about the reasonableness of Versar's labor rates did not result in any competitive prejudice to Versar because those rates, which were to be applied to undefined future work, were irrelevant to the basis for award. As explained above, the agency evaluated an offeror's total price to determine whether it was fair and reasonable and used this total price as the basis for the selection decision. An offeror's total price was calculated by adding the amounts proposed for each of the fixed price preventive maintenance CLINs for the base and option years to the agency set price of $44,363,415 for the corrective maintenance CLIN X004. An offeror's proposed labor rates did not affect the price worksheet calculation of total price, nor were the proposed labor rates considered as part of the agency's best value selection decision. Stated differently, given the mechanics of the price worksheet, a change in the proposed labor rates did not translate to a change to the offeror's overall evaluated price. Indeed, in response to the first discussions letter identifying a number of Versar's proposed labor rates as high, Versar revised its rates but did not change its total price.

In its supplemental comments, Versar contends for the first time that if the agency had conducted a second round of discussions the protester "would have been able to revise its proposal to be even more competitive in the area of price--by lowering its proposed labor rates, by lowering its overall proposed price, and by otherwise calibrating the elements of its proposed price in light of the Agency's concerns." Supp. Comments at 15. But Versar does not explain a connection between the labor rates and the total evaluated price (which was based on the fixed price CLINs and the agency-provided plug number for future corrective maintenance requirements) or how lowering its proposed labor rates would have caused it to lower the price of the fixed price CLINs. There is nothing in the record to support a finding that had Versar been advised by the agency that some of its labor rates were still considered unreasonably high it would have made any changes to its fixed price CLINs. Again, Versar of course knew this, since it lowered its labor rates in response to the first round of discussions while maintaining the same proposed price for its fixed price CLINs.

To the extent Versar contends that the agency "seemingly admit[ted]" that lower proposed labor rates can "influence" an offeror's total evaluated price, *id.*, we disagree. In support of its position, the protester points to the agency's statement that it entered into discussions regarding labor rates to negotiate a "lower overall contract price." AR, Tab 2C, SSA Decl. ¶¶ 12-15. The protester, however, is conflating the overall contract price that the government will pay the contractor with an offeror's total evaluated price. The logical interpretation of the agency's reference to negotiating a "lower overall contract price" is that the agency was referring to the overall contract price during performance, not the offeror's total evaluated price.

As noted above, the contractor is committed to using its proposed labor rates for the future service order requirements; negotiating lower rates could translate to lower costs for those service orders and thereby lower the government's overall contract price during performance. Negotiations regarding the labor rates did not, however, impact an offeror's total evaluated price; per the express terms of the solicitation the price worksheet did not include the labor rates in the calculation of an offeror's total evaluated price. Moreover, the service orders factored into an offeror's evaluated total price as a fixed plug number, which was the same for all offerors. Thus, to the extent the agency was negotiating reductions to the labor rates, those negotiations could only impact what the government would pay during performance.

Moreover, the agency did not penalize Versar, or any offeror, for having unreasonably high labor rates. Rather, consistent with the solicitation, the agency evaluated Versar's total price and found it to be fair and reasonable and, as explained above, the agency's award decision never mentioned Versar's unreasonably high labor rates. AR, Tab 10, SSDD at 8. Thus, as indicated, the agency's conclusion that Versar proposed unreasonably high labor rates had no bearing on the agency's award decision. Given this, Versar has not established that, but for the agency's improper discussions, it would have had a substantial chance for award.[8] Accordingly, this allegation is denied.

Evaluation of Technical and Management Approach Factor

Versar asserts that the agency failed to recognize material risk in Pond's proposal. As discussed above, for example, SSEB determined that "[i]f an offeror's overall proposed price was less than the -1 Standard Deviation, then a confirmation that the Offerors technical approach demonstrated a clear understanding of the work [in accordance with] the PWS should be verified with the [technical and management approach factor] evaluation." AR, Tab 9, SSEB Report at 48. The protester notes that Pond's overall total proposed price of $48,781,556 fell more than one standard deviation below the Army's "established reasonable evaluation range [of] $49,173,558.50--$52,863,832.12 (+/- standard deviation from average)." Comments and Supp. Protest at 18, *quoting* AR, Tab 9, SSEB Report at 49.

The protester contends that "[u]nder the established criteria," Pond's low proposed price should have prompted the Army to evaluate whether Pond's proposed approach under the technical and management approach factor demonstrated a clear understanding of

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[8] Additionally, in the second round of discussions with Pond, the Army requested that the awardee confirm that its proposed price was sufficient to complete the work detailed in the PWS. AR, Tab 7C, Second Pond Discussion Letter at 2. In other words, in a competition that came down to a consideration of total price, the agency's second round of discussions essentially asked Pond to consider whether its total proposed price was too low. In a competition where low price determined the successful offeror, the protester cannot credibly claim it was prejudiced by the agency asking the awardee whether it was certain its price was not too low.

the requirement. Comments and Supp. Protest at 18, *citing* AR, Tab 9, SSEB Report at 48 (instructing evaluators that "If an offeror's overall proposed price was less than the -1 Standard Deviation, then a confirmation that the Offerors technical approach demonstrated a clear understanding of the work [in accordance with] the PWS should be verified with the [technical and management approach factor] evaluation."). Whether the awardee's proposed approach "demonstrated a clear understanding of the requirement" given its low price is tantamount to an allegation that the agency failed to conduct a price realism analysis. *STG LLC*, B-418490, B-418490, May 19, 2020, at 21 (noting that one purpose of a price realism evaluation is to determine whether a low proposed price "reflect[s] a lack of clear understanding if the requirements of the solicitation").

The agency argues that there "was no provision in the RFP that expressly notified offerors that price would be evaluated for realism" and "nowhere in the RFP did USACE inform offerors that it would review prices to determine whether they are so low that they reflect a lack of technical understanding or that a proposal could be assessed as having technical risk for offering low prices." Memorandum of Law (MOL) at 14. Thus, the Army asserts, "it cannot be said that USACE was required, or even permitted to conduct a realism analysis here." *Id*.

The protester's reliance on the instructions in the SSEB report to read into the procurement a price realism evaluation criterion is ineffectual. The language in the SSEB is akin to language in a source selection plan that is not otherwise disclosed to offerors. A source selection plan is a set of internal agency instructions, not disclosed to offerors in the solicitation, that gives outside parties no rights. *Tec-Masters, Inc*., B-416235, July 12, 2018, at 4 n.1; *citing Tero Tek Intl, Inc*., B-241759 *et al*., Mar. 5, 1991, at 7 (noting that alleged deficiencies in the application of an agency evaluation plan or source selection plan do not alone provide a basis for questioning the validity of the award selection because those plans are internal agency instructions that do not give outside parties rights). Because the announced evaluation criteria in the solicitation contained no provision for a price realism analysis in this fixed-price competition, the agency was precluded from performing one. *GlobalOpal, LLC* , B-408414.7, B-408414.8, Mar. 19, 2014, at 8 (noting that in a procurement conducted on a fixed-price basis where the solicitation does not provide for a rice realism analysis, the agency is precluded from conducting one). We thus deny the allegation that the Army failed to conduct the realism analysis the protester contends was required by the SSEB.

Price Risk Analysis

The protester argues that DFARS provision 252.204-7024[9] put offerors on notice of, and required the agency to conduct, a price risk analysis. Comments and Supp. Protest at 39-40. Versar contends that "[a] price risk analysis is, in substance and essence, a form of price realism." *Id.* at 40. The protester argues that "GAO decisional law confirms that a price realism analysis is permitted in a fixed-price procurement so long as offerors are adequately informed." *Id.* Versar asserts that "[t]he Agency has conceded that it failed to conduct a price risk analysis in this procurement as required by DFARS [provision] 252.204-7024 and the terms of the RFP." *Id*. at 42, *citing* MOL at 16.

The army contends that its failure to conduct the price risk required by DFARS provision 252.204-7024 did not prejudice Versar. The SSA explains that, in response to the protest, she entered the product services code (PSC) and commercial and government entity (CAGE) codes associated with this services contract into the SPRS price risk assessment. AR, Tab 2A, Decl. of SSA at ¶ 19. The SSA contends that she received no results from her search: "In entering the PSC, the response I received from the system was 'PSC/Part Num not valid.' In entering the CAGE Code, the response I received from the System was '[Manufacturer] CAGE Code and [Manufacturer] Part Number are required[.]'" *Id.* at ¶ 20.

The SSA notes that on the price risk report system, SPRS contains a note which states: "Service-based risk assessments are currently available to search by PSC & Part Number (*e.g.*, PSC + [National Item Identification Numbers (NIINs)]). All other Service/Price risk data is 'not available.'" *Id*. at ¶ 21. The SSA states that, to her knowledge, "there are no Part Numbers or NIINs associated with the PSC and CAGE Codes related to this contract action for services." *Id*. at ¶ 22. She further attests, to her knowledge, that because the PSC and CAGE Codes related to this contract action do not have associated part numbers or NIINs due to this being a services contract, there is no available price risk information that SPRS could formulate for this contract action. *Id*. at ¶ 23. The SSA concluded that if the Army had utilized the SPRS prior to making award, it would not have provided information that would have influenced the award decision. *Id*. at ¶ 24.

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[9] The relevant section of this provision, describing use of the supplier performance risk system (SPRS), states that the contracting officer will consider item, price, and supplier risks. DFARS provision 252.204-7024(c). The DFARS specifies that "[p]rice risk will be considered in determining if a proposed price is consistent with historical prices paid for a product or a service or otherwise creates a risk to the Government." DFARS provision 252.204-7024(c)(2). "Price risk" is defined as "a measure of whether a proposed price for a product or service is consistent with historical prices paid for that item or service." DFARS provision 252.204-7024(a). The DFARS provides that "[t]he Contracting Officer may consider any other available and relevant information when evaluating a quotation or an offer." DFARS provision 252.204-7024(e).

Versar does not challenge the SSA's findings. *See* Supp. Comments at 38-43. Rather, the protester argues that, "where the Agency had other available and relevant information at hand to use to analyze price risk--a reasonable exercise of discretion would have resulted in a determination to consider this available and relevant information, and conduct a price risk analysis." *Id.* at 42, *citing* Comments and Supp. Protest at 35-37 (which in turn cites Protest at 19 (noting that "the redacted [SSDD] provided to Versar reflects that the subject requirement was preceded by multiple, substantially similar requirements, such that ample historical pricing information was available for the Agency to rely on in its analysis")).

The Army contends that DFARS provision 252.204-7024 only required the agency to consider SPRS, and "because Versar failed to present any evidence rebutting the fact that SPRS had no usable data, there is no sustainable protest here[,]" because "SPRS is not functionally capable of providing usable data for service contracts." Supp. AR at 32, *citing SMS Data Products Group, Inc*., B-423341 *et al*., May 29, 2025, at 9-10 (denying allegation that agency failed to evaluate the risk of the awardee's proposed price under DFARS provision 252.204-7024 where the SPRS Item/Price Risk Report was unavailable for a services contract); *Chugach Logistics and Facility Servs. JV, LLC*, B-423690, B-423690.2, Nov. 20, 2025, at 15 (denying challenge to price risk analysis because the record demonstrated that the SPRS system contained no useful information, and DFARS provision 252.204-7024 does not put offerors on notice that the agency may conduct a price realism analysis).[10]

We agree with the Army that the agency's failure to conduct the price risk analysis required under DFARS provision 252.204-7024 prior to award had no bearing on the competition. The agency has demonstrated that the SPRS price risk analysis would not have influenced the decision in any way. Furthermore, while DFARS provision 252.204-7024 requires the use of the SPRS, it leaves to the agency's discretion the use of any other available and relevant information, and therefore the agency was not required to use any other information in conducting this analysis. Moreover, the DFARS provision does not place offerors on notice that the agency may conduct a price realism analysis. *Chugach Logistics & Facility Servs. JV, LLC*, *supra*. Accordingly, this record provides no basis on which to sustain the allegation that the agency failed to conduct a required price risk assessment of Pond's proposal.

SO Fee

Versar argues that the agency unreasonably evaluated Pond's proposed SO fee. In this regard, the Army assigned an outstanding rating to Pond's proposal under the technical

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[10] The protester did not respond to the Army's assertion that, following *SMS Data Products Group, Inc*., and *Chugach Logistics and Facility Servs. JV, LLC* the agency's evaluation was reasonable. *See* Supp. Comments at 38-46.

and management approach factor and also assessed a strength to Pond's proposal under this factor for its "detailed and thorough service order execution plan." AR, Tab 9, SSEB Report at 8. However, the Army also determined that "Pond's revised proposed markup for Total SO Fee was more than +1 standard deviation and was evaluated to be unreasonably high."[11] *Id.* at 61. Versar contends that the outstanding rating and favorable evaluation conclusions that the Army assigned to Pond's proposal under the technical and management approach factor "cannot be squared with the proposal of an unreasonable Service Order Fee, where part of the [technical and management approach factor] evaluation was to encompass an evaluation of Pond's 'approach to understanding and performing Service Orders at a fair and reasonable price.'" Comments and Supp. Protest at 21, *quoting* AR, Tab 3_5, Instructions to Offerors at 12 (emphasis in comments omitted).

The solicitation defines a SO as

> a document that is initiated and approved by the Government, requesting the Contractor to perform Corrective Maintenance work on federally funded petroleum systems/equipment at various Government installations and/or facilities covered by this contract. The Contractor shall provide all personnel, equipment, tools, materials, supervision, and all other services necessary to perform Corrective Maintenance tasks. The Contractor shall provide a proposed price on the initially submitted Service Order. The price/quantity/process for completing the Corrective Maintenance shall be subject to negotiations and the final price will be annotated on the Service Order. All Service Orders shall be considered firm-fixed price (FFP) agreements between the Contractor and the Government. All Service Orders shall [be] completed and submitted on the Government-approved Service Order form provided in Attachment 1 of this Appendix.

AR, Tab 3_1, PWS at 55. Thus, as an initial matter, all prices for SOs would be negotiated during contract performance as the need for those corrective maintenance services arise. The SO fee is a fixed percentage applied to each service order and includes prime contractor costs such as service order preparation, service order handling, submission, and correction, subcontractor coordination, overhead and profit. AR, Tab 3_1, PWS, appendix A, at 67.

With respect to its challenge to Pond's outstanding rating under the technical and management approach factor, Versar cherrypicked one facet of a sprawling evaluation of proposals under this factor. The PWS for this requirement exceeds 250 pages and contains 12 appendices. *See* AR, Tab 3_1, PWS. The Army advised offerors that under this factor the agency would evaluate the "Adequacy of Response and Feasibility

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[11] As noted above, +1 standard deviation was [DELETED] percent, or 0.23 percent lower than Pond's proposed SO fee. *Id*. at 55.

of Approach." AR, Tab 3_5, Instructions to Offerors at 11. The Army would also evaluate these "various aspects" of offerors' proposals:

> - the quality and approach associated with the Contractor's Management Plan.
> -the approach to quality management and control.
> -the approach to meeting safety requirements and ensuring work is completed in a safe manner.
> -the approach to performing the Initial Site Visit and completing the required Equipment Inventory, Facility Maintenance Plan, Essential Mission Plan composition of the proposed maintenance team, response times and the approach to meeting maintenance requirements.
> -the approach to performing, documenting, and reporting recurring maintenance.
> -the approach to understanding and performing Service Orders at a fair and reasonable price. Form will also be evaluated for completeness.
> - the approach to developing and using maintenance and repair teams.

Id. The evaluation of whether an offeror can successfully perform under the technical and management approach factor thus implicates myriad considerations, only one of which is "the approach to understanding and performing Service Orders at a fair and reasonable price." In particular, the agency evaluated the offeror's proposed approach to understanding and performing the SOs. Price was not included in the offerors' proposals for this factor and therefore the agency did not consider price when evaluating this approach. Accordingly, assessing a strength to Pond's proposal for its service order execution approach under the technical and management approach factor is not incompatible with a finding that Pond's SO fee was unreasonably high under the price factor.

Whether an offeror will perform SOs at a fair and reasonable price, in turn, entails numerous considerations, only one of which is the SO fee. As explained above, the agency and contractor would negotiate a fixed price for each service order issued during performance of the contract and the SO fee would be applied to that price. The fact that the agency found Pond's SO fee to be unreasonably high (based on it being +1 standard deviation above the average SO fee) does not necessarily mean that it will be unable to perform the SO at a fair and reasonable price. Moreover, whether SOs are performed at a fair and reasonable price is a matter of contract administration; therefore the allegation that "there is a substantial risk that the offeror with such an unreasonable Service Order Fee will not be able to execute performance of Service Orders at a fair and reasonable price," Comments and Supp. Protest at 21, is not for our consideration. 4 C.F.R. § 21.5(a); *Pitney Bowes, Inc.*, B-422528, May 23, 2024, at 3 (noting that GAO will not consider whether an awardee will comply with a solicitation requirement).

Versar raises no other challenge to the assignment of the outstanding rating to Pond's proposal under the technical and management approach factor. *See* Comments and Supp. Protest at 16-27 (asserting three challenges to the evaluation of proposals under that factor, two of which concerned the agency's assessment of the relative merit of the proposals). Given the breadth of the requirement, Versar's complaint that the agency could not have reasonably assigned a rating of outstanding to Pond's proposal under the technical and management approach factor because the awardee's service order fee was +1 standard deviation represents the protester's disagreement with the agency evaluation, which is an insufficient basis on which to sustain a protest. *ASRC Fed. Tech. Sols., LLC*, B-421750, Sept. 21, 2023, at 14. Because the record contains no basis on which to find unreasonable the agency's evaluation, this allegation is denied.

Best-Value Tradeoff Analysis

Versar alleges numerous flaws in the Army's best-value tradeoff analysis, which we address below and conclude have no merit.

Technical and Management Approach Factor

The protester argues that, under the technical and management approach factor, the agency "relied on broad adjectival generalities to unreasonably equate Versar's and Pond's proposals under [that factor], failed to analyze the specific contents of those proposals underlying the assigned strengths and adjectival ratings, and failed to acknowledge key discriminators present in Versar's, but not in Pond's proposal--such as Versar's far more experienced Key Personnel and the additional benefits offered in Versar's specific Service Order Execution Plan." Comments and Supp. Protest at 50. For example, the protester asserts that "the Agency never looked beyond those strengths [under the technical and management approach factor] to analyze the experience of Versar's Key Personnel relative to the experience of Pond's Key Personnel and, instead, summarily concluded that 'all offerors were equal in the area[] of Key Personnel' on the basis of strengths awarded." *Id*. at 24. In fact, the protester asserts, its proposed key personnel were far more experienced than Pond's. *Id*. at 24-25.

Where, as here, a solicitation provides for award on a best-value basis, it is the function of the source selection authority to perform (if necessary) price/technical tradeoffs. *NCI Info. Sys*., B-412680, B-412680.2, May 5, 2016, at 9. As a general matter, adjectival ratings are but a guide to, and not a substitute for, intelligent decision-making. *Id*. at 20. A protester's disagreement with an agency's judgments about the relative merit of competing proposals does not establish that the evaluation was unreasonable. *Id.*

In the best-value tradeoff determination, the SSA recounted the features of the four proposals that contributed to the adjectival ratings of outstanding under the technical and management approach factor. AR, Tab 10, SSDD at 9. Included in that enumeration was the fact that Pond's and Versar's proposals received a strength under the technical and management approach factor for key personnel whose experience exceeded the PWS requirements. *Id*. at 8. The agency also recognized other strengths assessed to each offeror's proposal regarding such aspects as integration of computerized maintenance management systems and detailed service order execution plans. *Id.* Ultimately the agency determined that the two offerors were technically equal given their similar strengths, equally high ratings, and demonstrated experience and that price therefore became the determining factor in the tradeoff decision. *Id.* at 9. The record therefore does not support the protester's claim that the selection decision "relied on broad adjectival generalities." Comments and Supp. Protest at 50.

Moreover, while the protester asserts that its proposed personnel were far more experienced than Pond's, Versar does not dispute that Pond's key personnel exceeded the solicitation requirements, nor does the protester explain how the additional experience of its personnel benefits the Army. Comments and Supp. Protest at 24-25. For the above reasons, we deny the allegation that the agency relied on broad adjectival ratings when the Army failed to distinguish between the proposals with respect to the experience of proposed key personnel.

Versar also asserts that the Army's conclusion that Versar's and Pond's proposals "provided the same benefit to the Government, as they each merited a strength for the quality of their 'Detailed and Thorough Service Order (SO) Execution Plan,'" AR, Tab 10, SSDD at 10, "was plainly and prejudicially unreasonable in light of key advantages presented in Versar's Technical and Management Approach proposal which were not captured in Pond's proposed approach, and the materially lower risk profile in Versar's proposed approach under [the technical and management approach factor]." Comments and Supp. Protest at 26. Specifically, the protester argues that the debriefing it received from the Army credited Versar's proposed SO execution plan, but not Pond's, with "a high degree of cost realism and transparency." Comments and Supp. Protest at 25, *quoting* AR, Tab 13, Versar Debriefing at 3. The protester also contends that the awardee's proposal did not contain a reasonable SO fee. Comments and Supp. Protest at 25.

The protester's allegation ignores the substance of the Army's evaluation of both proposed SO execution plans. In the agency's view, the unique plans each contain merit. *Compare* AR, Tab 14, Pond Debriefing at 3 *with* AR, Tab 13, Versar Debriefing at 3. For example, the agency found that Pond's proposed plan "includ[es] specific, sequential steps, integrated [DELETED], and a detailed breakdown of labor and materials." AR, Tab 9, SSEB Report at 8; *see also* AR, Tab 14, Pond Debriefing at 3. Versar contends that the unique features of its SO execution plan make it more beneficial to the Army, without explaining how, and while ignoring the unique qualities of the awardee's plan. Comments and Supp. Protest at 25-26. Again, the protester's disagreement with the agency's evaluation does not demonstrate that the agency abused its discretion, and this allegation is denied.

Past Performance Factor

Versar also contends that the Army "unreasonably disregarded substantive differences in the contents of Versar's and Pond's past performance submissions to arrive at an improper conclusion that Versar's and Pond's proposals were indistinguishable in merit and benefit to the Agency under [the past performance factor]." Comments and Supp.

Protest at 32. Initially, the protester asserted that it submitted "substantially more past performance than Pond" and that its past performance was of greater relevance. *Id.* As noted above, Versar withdrew its allegation that the Army disparately evaluated the relevance of past performance references. Supp. Comments at 36 (withdrawing its challenge that "the AR reveals that the Agency applied different--and more stringent--standards for measuring the relevancy of past performance in its evaluation of Versar's proposal than in its evaluation of Pond's proposal" (Comments & Supp. Protest at 29)).

After the withdrawal of that allegation, Versar asserted that "[h]ad the Agency properly evaluated proposals [under the past performance factor], the Agency would have recognized that there were material differences in the substantive merit presented by Versar's exceptional proposal and Pond's inferior proposal under [that factor], that the offerors' proposals were not actually equivalent or indistinguishable for best-value purposes, and that Versar's higher priced but more meritorious proposal presented a better value to the Agency." Supp. Comments at 37-38, *citing* Comments and Supp. Protest at 32-34 (asserting that Versar had substantially more past performance and it was of greater relevance than Pond's). Because the protester withdrew its challenge to the Army's evaluation of the relevance of offerors' past performance references, Versar is left with its contention that the distinguishing feature of its proposal under the past performance factor was a greater number of references--notwithstanding the protester's unsupported assertion that there were "material differences in the substantive merit" of the two proposals under past performance. Supp. Comments at 37.

Both offerors submitted two references that were evaluated as very relevant; the CPARS ratings for Versar ranged from satisfactory to very good, and the CPARS ratings for Pond ranged from satisfactory to exceptional. AR, Tab 13, Versar Debriefing at 4; Tab 14, Pond Debriefing at 4. As noted above, the solicitation advised offerors that the past performance confidence rating would be based on the recency, relevance, and quality of an offeror's past performances, and not the total quantity of references.[12] AR, Tab 3_5, Instructions to Offerors at 14. Given that each offeror was evaluated to have two very relevant past performance references, and that Versar has not explained why a greater number of references should have been evaluated as having more substantive merit, on this record, we find no basis to sustain the allegation that the SSA unreasonably considered the two offeror's proposals to be equal under the past performance factor.

The protest is denied.

Edda Emmanuelli Perez
General Counsel

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[12] Versar implicitly recognizes that quantity was not a past performance evaluation factor when the protester asserts that it does not seek extra credit for having submitted more past performance references than Pond. Supp. Comments at 68.