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## Decision

**Matter of:** Honeywell Technology Solutions, Inc.

**File:** B-406036

**Date:** January 3, 2012

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Kevin C. Dwyer, Esq., Daniel E. Chudd, Esq., and Ethan E. Marsh, Esq., Jenner & Block LLP, for the protester.  
Thomas J. Madden, Esq., Paul A. Debolt, Esq., and James Y. Boland, Esq., Venable LLP, for Textron, Inc., the intervenor.  
Capt. Travis P. Sommer and John E. Wagner, Esq., Department of the Army, for the agency.  
Glenn G. Wolcott, Esq., and Sharon L. Larkin, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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### DIGEST

1. Protest challenging a source selection authority's (SSA) disagreement with past performance evaluation rating assigned by lower level evaluators is denied where SSA's rationale was reasonable, consistent with the evaluation criteria, and documented.
  2. Protest challenging evaluation of protester's history of meeting small business performance goals is denied, where agency reasonably concluded that there was a risk the protester would not meet the established goals.
  3. In evaluating protester's proposal as good, rather than excellent, under the small business participation evaluation factor, agency was not required to conduct discussions regarding data that protester provided.
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### DECISION

Honeywell Technology Solutions, Inc., of Columbia, Maryland, protests the award of a contract to Textron, Inc., of New Orleans, Louisiana, by the Department of the Army under request or proposals (RFP) No. W56HZV-10-R-0562 for repair and refurbishment of M1117 armored security vehicles (ASV). Honeywell challenges the evaluation of proposals and source selection decision.

We deny the protest.

## BACKGROUND

The RFP provided for the award of a contract for the repair and refurbishment to fully mission capable condition (RESET) of a base quantity of 392 ASVs, and two options for 225 and 167 additional ASVs.<sup>1</sup> RFP at 2, 6. The majority of work was to be performed on a fixed-price basis, with some cost reimbursement items. *Id.* at 6-12. The RFP stated that award would be made on a best value basis, considering the evaluation of the following factors in descending order of importance: past performance, cost/price, and small business participation.<sup>2</sup> RFP amend. 3, at 19.

With regard to past performance, the RFP stated that the agency would assess the “risk probability” that the offeror would meet the contract’s technical and schedule requirements within estimated costs, based on recent and relevant contract performance. *Id.* at 19. To facilitate this evaluation, offerors were to provide information on “up to three” recent and relevant contracts, with recency defined as performance that occurred within approximately three years of the RFP’s issuance, and relevancy defined as:

(a) RESET/RECAP<sup>3</sup> of similar U.S. Army and/or U.S. Marine Corps vehicles to -10/-20 standards, and/or production of similar U.S. Army and/or U.S. Marine Corps vehicles.

(b) RESET/RECAP or new production of vehicles of similar complexity to the ASV at the maximum monthly quantity specified in the solicitation.

*Id.* at 12, 19.

With regard to cost/price, the RFP stated that the agency would evaluate the reasonableness of the proposed fixed-price items, and the reasonableness and

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<sup>1</sup> For the base contract, the RFP provided for a delivery schedule of 25 vehicles within 120 days of contract award, followed by monthly deliveries ranging from 27 to 60 vehicles per month. RFP at 29.

<sup>2</sup> The RFP provided that the past performance factor was slightly more important than the cost/price factor, which was more important than the small business participation factor. The non-cost/price factors, when combined, were significantly more important than the cost/price factor. RFP amend. 3, at 19.

<sup>3</sup> The RFP defined RESET as repair and refurbishment to return a vehicle to a fully mission capable condition. RFP at 14. RECAP refers to other types of repairs to remove damage and stress incurred during deployment. *See, e.g.*, Army Logician, PB 700-06-06 Vol. 38, Issue 6, at <http://www.almc.army.mil/alog/issues/NovDec06/reconditioned.html>.

realism of the proposed cost reimbursement items. Id. at 19. In evaluating proposals under the small business participation factor, the RFP provided that the agency would assess the extent to which offerors proposed to meet the RFP’s stated small business goals, and the risk probability that the offeror would achieve the proposed goals based on past efforts. Id. at 20.

Eight offerors submitted proposals, and five (including Honeywell and Textron) were found to be in the competitive range. Agency Report (AR), Tab T.1, Source Selection Decision, at 3. Multiple rounds of evaluation and discussions were conducted by a source selection evaluation board (SSEB), which briefed the source selection authority (SSA) after each evaluation round. The SSEB evaluated the final proposal revisions of Honeywell and Textron as follows:

	<b>Honeywell</b>	<b>Textron</b>
<b>Past Performance</b>	Excellent/Very Low Risk	Good/Low Risk
<b>Small Business Participation</b>	Good	Excellent
<b>Cost/Price</b>	\$42,922,253	\$42,720,971

Id.

In the past performance evaluation, the SSEB rated Honeywell’s proposal higher than Textron’s. In considering Honeywell’s past performance, the SSEB identified multiple strengths associated with the relevancy of Honeywell’s past contracts and its receipt of positive performance ratings, and the SSEB identified no weaknesses. As a result, the SSEB concluded that there was “[e]ssentially no doubt” that Honeywell would successfully perform the required effort, which corresponded to a rating of excellent/very low risk.<sup>4</sup> AR, Tab S.1, SSA Final Evaluation Review, at 28; Tab R.1.1, Honeywell Final Past Performance Evaluation, at 12.

In evaluating Textron’s past performance, the SSEB also identified various strengths associated with the relevancy of Textron’s past contracts and its receipt of favorable performance ratings, but it assessed a weakness because only one of the three contracts Textron submitted reflected performance at the maximum monthly production rate (60 ASVs) set forth in this RFP. Based on this evaluation, the SSEB concluded that there was “[l]ittle doubt” that Textron would successfully perform the required effort, which corresponded to a good/low risk rating.<sup>5</sup> AR, Tab S.1, SSA

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<sup>4</sup> An excellent rating was defined as “[e]ssentially no doubt exists” that the offeror will successfully perform the contract; the risk level is “very low.” AR, Tab S.1, SSA Final Evaluation Review, at 43.

<sup>5</sup> A good rating was defined as “[l]ittle doubt exists” that the offeror will successfully perform the contract; the risk level is “low.” AR, Tab S.1, SSA Final Evaluation Review, at 43.

Final Evaluation Review, at 32; Tab R.2.1, Textron Final Past Performance Evaluation, at 12.

The SSA agreed with the SSEB that Honeywell's past performance was deserving of an excellent/very low risk rating. In support of this rating, the SSA noted that Honeywell identified three recent and relevant contracts that met or exceeded the RFP's complexity requirements and demonstrated Honeywell's ability to meet the maximum production quantities set forth in the RFP. The SSA also noted that the references rated Honeywell's past performance as "mostly excellent with one good rating" and that there were no weaknesses. AR, Tab T.1, Source Selection Decision, at 5.

The SSA disagreed with the SSEB's view that Textron's past performance was deserving of only a good/low risk rating, concluding that Textron's proposal should also have been rated as excellent/very low risk. Specifically, the SSA found that the SSEB "overstated" the risk related to Textron's delivery of the maximum monthly production rate of 60 ASVs per month.<sup>6</sup> Id. at 6. In the SSA's view, one of Textron's contracts exceeded the maximum production quantity and showed, by itself, that there was "very low risk for timely delivering ASV RESET quantities at the maximum monthly production rate."<sup>7</sup> Id. at 6-7. The SSA concluded that, although Textron's other two contracts demonstrated lower delivery rates, those contracts did not reasonably increase performance risk where the third contract established "no doubt" that Textron would successfully perform the required effort.<sup>8</sup> Id. at 7-8. Accordingly, the SSA raised Textron's past performance rating to excellent/very low risk. Id. at 6-8.

In performing a tradeoff, the SSA found that Textron's proposal was "slightly more advantageous" and offered an overall better value than Honeywell's proposal. Id. at 13. The SSA specifically noted the "very slight differences" in the offerors' past

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<sup>6</sup> The SSA also concluded that a questionnaire response complaining of missed deliveries and vehicle damage should be disregarded, as the assessments were made upon completion of overseas deliveries instead of the point at which the government took possession of the vehicles. AR, Tab T.1, Source Selection Decision, at 8.

<sup>7</sup> This contract, valued at \$1.2 billion, required Textron to manufacture and deliver over 2,065 M1117 ASVs RESET. AR, Tab R.2.1, Textron Final Past Performance Evaluation, a 2. Both the SSA and SSEB agreed that this contract reflected excellent and very relevant past performance. AR, Tab T.1, Source Selection Decision, at 6-7; Tab R.2.1, Textron Final Past Performance Evaluation, at 2-4.

<sup>8</sup> The SSA noted a "minor weakness" with regard to one of the smaller contracts due to "paint issues," but concluded that this weakness was "irrelevant" because the paint requirement was unique to that contract and had affected "less than 2%" of the total contract effort. AR, Tab T.1, Source Selection Decision, at 7.

performance, but found that these differences had no meaningful significance. Id. Based on Textron's past performance record, the SSA had a "very high degree of confidence" that the firm would successfully perform the contract here. Id. In addition, the SSA found that Textron's proposal was more advantageous under the small business participation factor,<sup>9</sup> and slightly more advantageous in terms of cost/price. Id. at 13-14. The SSA selected Textron for award and this protest followed.

## DISCUSSION

Honeywell protests that the agency misevaluated both firms' proposals. The protester complains that the SSA improperly raised Textron's rating for past performance, and failed to recognize Honeywell's superiority when evaluating past performance and conducting a tradeoff. Protest at 6-8; Comments at 2-9. In addition, the protester complains that its proposal was misevaluated under the small business participation and cost/price factors, and that discussions were inadequate. Comments at 9-13.

In reviewing an agency's evaluation and source selection decision, we examine the supporting record to determine if they were reasonable and consistent with the solicitation's evaluation criteria and applicable procurement statutes and regulations. Birdstrike Control Program, B-404986, July 15, 2011, 2011 CPD ¶ 136 at 6; One Largo Metro LLC, et al., B-404896 et al., June 20, 2011, 2011 CPD ¶ 128 at 14. An evaluation is not unreasonable simply because an SSA disagrees with the evaluation ratings and results of lower level evaluators; an SSA may disagree with (or expand on) the findings of the lower level evaluators, provided that the SSA's judgments are reasonable, consistent with the stated evaluation scheme, and adequately documented. Sig Sauer, Inc., B-402339.3, July 23, 2010, 2010 ¶ 184 at 6. A protester's mere disagreement with the source selection does not establish that the award decision is unreasonable. See Bannum, Inc., B-404712, Mar. 1, 2011, 2011 CPD ¶ 52 at 3.

With regard to Honeywell's first complaint--that the SSA erroneously evaluated past performance--we find no basis to sustain the protest. As noted above, the RFP provided that the agency would assess the risk probability of successful performance based on an evaluation of "up to three" recent and relevant contracts. RFP amend. 3, at 12, 19. In accordance with the RFP's stated evaluation criteria, the SSA evaluated each offeror's past performance and, from this, made a reasoned judgment that both offerors would successfully perform the work here, consistent with a rating of excellent/very low risk. AR, Tab T.1, Source Selection Decision, at 5-8.

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<sup>9</sup> Textron had a better record of meeting small business goals than did Honeywell. AR, Tab T.1, Source Selection Decision, at 9-10.

In the contemporaneous record, the SSA documented and explained the basis for his disagreement with the SSEB as to Textron's past performance rating. The SSA discussed specifically that one of Textron's contracts, alone, established "no doubt" that the firm could perform the required effort at the maximum production rates stated in the RFP. *Id.* at 6-8. This past contract, according to both the SSA and SSEB, was of the same scope and complexity as the contract at issue and showed that Textron had successfully performed at a production rate at least as high as the maximum rate that will be required here. AR, Tab T.1, Source Selection Decision, at 6-8; Tab R.2.1, Textron Final Past Performance Evaluation, at 3-4; *see* RFP amend. 3, at 12, 19. Although Textron's other two contracts involved lower production rates, those contracts were determined (even by the SSEB) to be very relevant in other respects. *See* AR, Tab R.2.1, Textron Final Past Performance Evaluation, at 2. Further, the SSA expressly considered the lower production rates of those contracts, concluding that they did not provide a basis for assessing negative risk in light of the established performance under the very relevant contract.<sup>10</sup> AR, Tab T.1, Source Selection Decision, at 6-8.

The SSA also compared Textron's performance with Honeywell's. Although recognizing slight differences in past performance, the SSA reasonably concluded that these differences were not meaningful. *Id.* at 13. Based on our review of the record, which included multiple briefings presented to the SSA and the SSA's detailed evaluation analysis, we find no basis to question the SSA's conclusions. Honeywell's disagreement with the SSA does not provide a basis to sustain the protest.<sup>11</sup>

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<sup>10</sup> The SSA also noted that concurrent performance of the two lesser relevant contracts demonstrated performance at higher production rates. AR, Tab T.1, Source Selection Decision, at 7.

<sup>11</sup> For example, the protester argues that the SSA should have given more credit to Honeywell's proposal that included three very relevant contracts, and lesser credit to Textron's proposal that included only one very relevant contract. Comments at 2-3. However, the RFP required only that offerors identify up to three contracts, not that each contract be assessed the same weight or that multiple very relevant contracts be afforded more weight in the evaluation. *See* RFP amend. 3, at 12, 19. Similarly, Honeywell's argument that the SSA should not have considered concurrent performance is not supported by the RFP. Finally, Honeywell argues that its customer reviews were superior to Textron's, and that the SSA irrationally discounted Textron's performance problems. Comments at 7-8. However, the record shows that the SSA considered both customer ratings and performance problems, discussed them in his source selection decision, and reasonably concluded that any alleged performance problems or differences in past performance were "insignificant" or "irrelevant." AR, Tab T.1, Source Selection Decision, at 7-8.

Honeywell next challenges the agency's evaluation of its proposal under the small business participation factor, and further asserts that it received inadequate discussions in this area. Comments at 9-12.

As noted above, the RFP provided that the agency would evaluate the extent to which offerors proposed to meet the RFP's stated small business goals, and the risk probability that the offeror would achieve the proposed goals based on past efforts. RFP amend. 3, at 20. In this regard, the RFP identified goals of 31.7 percent for small businesses, and 5 percent for small disadvantaged businesses. *Id.* Honeywell proposed to achieve goals of [deleted] percent for small businesses, and [deleted] percent for small disadvantaged businesses. AR, Tab T.1, Source Selection Decision, at 9.

Honeywell's proposal received a good, rather than exceptional, rating under the small business participation factor based in part on the agency's consideration of the firm's history in meeting similar small business goals. This performance history was ascertained from Honeywell's submission of "Individual Subcontracting Reports" (ISRs).<sup>12</sup> In this regard, the 45 ISRs reviewed by the agency showed that Honeywell met 75 percent or more of its proposed small business goals on only [deleted] contracts; met 50 percent or more of its goals on only [deleted] contracts; and met less than 25 percent of its goals on [deleted] contracts. Similarly, the ISRs showed that Honeywell met or exceeded its proposed small disadvantaged business goals on only [deleted] contracts; met 75 percent or more of its goals on only [deleted] contracts; and met less than 25 percent of its goals on [deleted] contracts. Based on this record, we find no basis to question the SSA's conclusion that a rating of good, rather than excellent, was appropriate.<sup>13</sup> *Id.* at 10.

In challenging the agency's evaluation under the small business participation factor, Honeywell also asserts that the agency was obligated to conduct discussions with

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<sup>12</sup> ISRs are government-required reports that contractors provide to identify whether or not they have met their proposed small business subcontracting goals on past contracts. As discussed below, Honeywell did not initially submit ISRs with its proposal.

<sup>13</sup> Honeywell asserts that the agency should have recognized that some of the contracts are ongoing and, therefore, the firm complains that the agency's evaluation was unreasonable. Since small business participation objectives are stated as percentages of total contract performance, we understand Honeywell to, in effect, assert that the agency should have assumed its small business participation in the ongoing contracts will increase during the later portions of the contract performance periods. Nothing in the record supports this assertion, and we find nothing unreasonable in the agency's consideration of Honeywell's ongoing contract performance, as reflected in the ISRs.

Honeywell regarding the ISRs it submitted. Specifically, Honeywell refers to Federal Acquisition Regulation (FAR) § 15.306(d)(3), which requires agencies to discuss with an offeror “adverse past performance information to which the offeror has not yet had an opportunity to respond.” Honeywell asserts that the evaluation was flawed based on the agency’s alleged failure to comply with this requirement. We disagree.

The record shows that section L.3.4.6.1 of the RFP specifically directed offerors to submit “Individual Subcontracting Reports (ISRs/DD Form 294s) which list both [small business] goals and accomplishments” for the preceding 12 months. RFP at 69-70. Honeywell’s initial proposal did not include any ISRs. In a discussion question to Honeywell dated July 28, the agency directed Honeywell’s attention to this omission, stating that the proposal was “[i]ncomplete” and “lacks information required within the RFP.” AR, Tab H.3.1, Item for Discussion (IFD) HON-S-001. In responding to the July 28 discussion question, Honeywell again failed to submit the requested ISRs, instead submitting a document titled “Summary Subcontract Report.” Id.

In a second discussion question, dated August 3, the agency again identified Honeywell’s failure to submit the required ISRs, referring to that omission as “a flaw in the proposal,” and elaborated on Honeywell’s ongoing noncompliance, stating:

Honeywell submitted a Summary Subcontract Report via email on 7/29/2011. This is not what the RFP asked for. The RFP asked for Individual Subcontracting Reports.

AR, Tab H.3.3, IFD HON-S-004.

Thereafter, Honeywell complied with the solicitation requirement to submit ISRs. As discussed above, those ISRs formed the basis for the agency to assign a good, but not excellent, rating under the small business participation factor.

Based on the record here, we reject Honeywell’s assertion that the provisions of FAR § 15.306(d)(3) provide a basis to sustain its protest. First, it is not clear that the information Honeywell submitted, which led the agency to assign a good, but not excellent, rating to Honeywell’s proposal under the small business participation factor, constitutes adverse past performance information.<sup>14</sup> Further, since the information the agency finally received and reviewed in response to its repeated requests was provided by Honeywell, itself, we reject the assertion that Honeywell

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<sup>14</sup> The evaluation of Honeywell’s ISRs did not result in the assignment of a significant weakness or deficiency, so the other provisions of FAR § 15.306(d)(3) which mandate discussions are inapplicable.



“ha[d] not yet had an opportunity to respond” to that information.<sup>15</sup> Finally, it is clear that the agency repeatedly called Honeywell’s attention to its failure to provide the information the RFP required, which Honeywell asserts triggered an obligation for the agency to conduct further discussions. It is well settled that an agency has no obligation to reopen discussions to allow an offeror additional opportunities to revise its proposal when a proposal flaw first becomes apparent in a post-discussion submission. See, e.g., Cube-All Star Servs. Joint Venture, B-291903, Apr. 30, 2003, 2003 CPD ¶ 145 at 10-11; Shaw Infrastructure, Inc., B-291121 Nov. 19, 2002, 2003 CPD ¶ 9 at 7. On this record, we reject Honeywell’s assertion that the agency failed to conduct meaningful discussions regarding Honeywell’s history of meeting small business requirements.

Finally, Honeywell complains that the agency misevaluated its proposal under the cost/price factor by erroneously adding [deleted] to the offeror’s proposed price for delivering 131 vehicles from Honeywell’s facility to the delivery point. Protest at 12; Comments at 12. However, even if this additional cost were subtracted from Honeywell’s proposed price, the offer would still be more than [deleted] higher than Textron’s proposal, and Honeywell’s proposal was less advantageous under the non-cost/price factors.<sup>16</sup> Accordingly, Honeywell cannot show prejudice by the selection of a lower-priced, higher-rated offer for award.

The protest is denied.

Lynn H. Gibson  
General Counsel

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<sup>15</sup> Honeywell cites several cases where we have required discussions when the protester had not had an opportunity to respond to adverse past performance information, even where the protester was already aware of the past performance from another source. See Apptis, Inc., B-299457 et al., May 23, 2007, 2008 CPD ¶ 49 at 20; McHugh/Calumet, JV, B-276472, June 23, 1997, 97-1 CPD ¶ 226 at 7. These cases do not address the situation presented here, where the protester, itself, was the source of the performance information.

<sup>16</sup> As discussed above, the SSA reasonably concluded that there were no meaningful differences in offerors’ past performance, and Textron’s proposal was rated superior to Honeywell’s under the small business participation factor.