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Decision

Matter of: CACI Dynamic Systems, Inc.

File: B-406130

Date: February 28, 2012

Richard J. Webber, Esq., Arent Fox LLP, for the protester.
Lee Dougherty, General Counsel PC, for the intervenor.
Geraldine Chanel, Defense Advanced Research Projects Agency, for the agency.
Gary R. Allen, Esq., and Guy R. Pietrovito, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest challenging agency's evaluation of the protester's and awardee's proposals under a technical approach factor is denied where the evaluation was reasonable and consistent with the stated evaluation criterion.
2. Protester is not an interested party to challenge the evaluation of the awardee's proposal under other technical evaluation factors and to challenge the agency's cost realism evaluation, where, even accepting the protester's arguments, another intervening offeror (whose proposal is not challenged) would be in line for award.

DECISION

CACI Dynamic Systems, Inc., of Chantilly, Virginia, protests the award of a contract to System High Corporation, also of Chantilly, under request for proposals (RFP) No. HR0011-11-R-0003, issued by the Defense Advanced Research Projects Agency (DARPA), Department of Defense, for security support services.

We deny the protest in part and dismiss it in part.

BACKGROUND

DARPA is the central research and development agency within the Department of Defense. Agency Report (AR) at 1. DARPA's Security and Intelligence Directorate (SID) provides an important role in supporting DARPA's mission. In this regard, SID plans, executes, and directs multi-disciplined security, emergency management, and international cooperation efforts at DARPA. See RFP, Statement of Work (SOW), at 3.

The RFP provided for the award of a cost-plus-award-fee contract for security services supporting SID for a base year and 4 option years with a 1-month transition-in period and a 1-month transition-out period. The services and support to be provided under the contract were detailed in the SOW. See SOW at 3-51. The objective of the contract is to augment SID's staff and execute functions that the SOW describes as inherently non-governmental functions that are central to SID's responsibilities. Id. at 3.

Offerors were informed that award would be on a best value basis, considering the following evaluation factors: technical approach, personnel, past performance, cost, and other (Small Business Subcontracting Plan). RFP § M.1 at 64-68. Subfactors were identified under the technical approach, personnel, and past performance factors.¹ The RFP provided that the technical approach and personnel factors were of equal importance and both were more important than the past performance factor. The RFP also informed offerors that the non-cost factors combined were more important than cost. The other (Small Business Subcontracting Plan) factor was stated to be of less importance than cost. Id. at 64.

The RFP provided detailed instructions for the preparation of proposals under each factor and subfactor. As relevant here, with respect to the management plan/execution of contract requirements subfactor, offerors were instructed to provide, among other things, information on their processes, procedures, and supervision plan "to assure timeliness, quality, cost control, and customer satisfaction of contract requirements in the SOW." RFP § L.8 at 45. With respect to the corporate support/facilities subfactor, offerors were instructed to discuss how their corporate philosophy, structure, physical facilities, in-house support staff, and other features of their operations might enhance or otherwise support the project.

¹ For example, under the technical approach factor, the RFP identified the following subfactors: understanding of the statement of work; management plan and execution of contract requirements; staffing plan and teaming arrangements; and corporate support/facilities. RFP § M.1 at 64-66.

Offerors were specifically instructed to include information confirming whether they would satisfy the requirement for a Top Secret facility clearance. Id. at 46-47.

With respect to the personnel factor, offerors were instructed to provide resumes for all personnel proposed for the base year. RFP § L.8 at 47. The RFP provided that the agency would evaluate resumes of all key personnel, and other randomly selected non-key personnel, for the extent to which these personnel possessed minimum qualifications and demonstrated relevant experience. RFP § M.1 at 66.

With respect to the past performance factor, offerors were instructed to provide their past performance history for all recent (within the past 5 years) and relevant work. The RFP stated that DARPA would consider an offeror's past performance to be relevant if it addresses "similar tasks found in this RFP's Statement of Work and was performed for [the Department of Defense], one of the services, or the intelligence community." RFP § L.9 at 59 (emphasis in original). The RFP provided that the agency would evaluate offerors' past performance based upon the information provided in the past performance proposals, but that the agency may obtain information from other sources. Id. at 60.

The RFP recognized the importance of the government-wide goals for increased participation by small business concerns, noting that offerors who are not small businesses were encouraged to comply with the small business subcontracting goals set forth in the Small Business Act. Such offerors were instructed to specifically identify the small businesses they were proposing, and describe the extent of such small businesses' participation in terms of the value of the total acquisition. RFP § L.5 at 41.

DARPA received proposals from five offerors, including CACI (the incumbent) and System High.² The technical proposals were reviewed by the agency's technical evaluation panel (TEP); past performance proposals by the past performance evaluation panel and cost proposals by the cost/price evaluation panel. All of these panels prepared consensus evaluation reports that were provided to the agency's source selection evaluation board (SSEB). Discussions were conducted with all five

² System High is a small business that proposed to team with three other small businesses. System High Final Proposal Revision at 106.

offerors, and proposal revisions received and evaluated. Final proposal revisions were evaluated as follows:³

	Technical Approach	Personnel	Past Performance	Evaluated Cost⁴	Other
System High	Blue	Blue	Blue	\$79.16M	N/A
Offeror A	Blue	Blue	Blue	\$87.78M	Blue
CACI	Blue	Blue	Blue	\$99.21M	Green
Offeror B	Green	Green	Green	\$90.70M	Blue
Offeror C	Green	Green	Blue	\$82.74M	Red

AR, Tab 32, SSEB Source Selection Recommendation Report (SSEB Report), at 6.

The evaluation panels' consensus reports and the SSEB Report were provided to the Source Selection Authority (SSA), who also received briefings. AR, Tab 33, Source Selection Decision (SSD), at 1. The SSA determined that the proposals of System High, Offeror A, and CACI were essentially equal under the technical approach, personnel, and past performance factors. The SSA also concluded that System High's technical proposal was slightly more desirable under the other (Small Business Subcontracting Plan) factor, because System High was a small business, and CACI and Offeror A were not. Id. at 5. Given the three highest rated offerors' essential technical equivalence, the SSA selected System High's proposal for award based upon its lower evaluated cost. Id. at 5-6.

Following a debriefing, CACI filed this protest.

³ Proposals were adjectivally rated as blue (exceptional), green (acceptable), yellow (marginal), or red (unacceptable). Under the past performance factor, an offeror without relevant past performance would receive a grey (neutral) rating. As relevant here, a blue/exceptional rating under the technical approach and personnel factors reflected a proposal that exceeded requirements in a beneficial way and any weaknesses were insignificant. A blue/exceptional rating under the past performance factor reflected that the contractors' and subcontractors' recent/relevant past performance was consistently superior for work accomplished with a few minor problems and with corrective action that was highly effective. See AR, Tab 10, Source Selection Plan, at 27-28.

⁴ The offerors' evaluated probable costs are expressed in millions (M) of dollars. The government's estimate for the contract was \$110.1M. CACI's proposed costs of \$100.36M were reduced to \$99.21M by the agency in its cost realism evaluation. System High's proposed costs of \$77.39M were increased by the agency to \$79.16M. See AR, Tab 32, SSEB Report, at 7.

DISCUSSION

Technical Approach Factor

CACI complains that the agency unreasonably assigned the same ratings to its and System High's proposals under the management plan/execution of contract requirements and the corporate support/facilities subfactors. With respect to the management plan/execution of contract requirements subfactor, DARPA rated both firms' proposals as blue/exceptional. See AR, Tab 32, SSEB Report, at 6. CACI contends that System High's proposal should not have been rated blue/exceptional because System High allegedly lacks experience to manage a contract of this size, including managing the transition to performance. Additionally, CACI complains that System High's proposed staff was comprised of a large number of contingent hires and its proposed program manager had only been with the awardee since July 2011. See Protester's Comments at 31-32.

The evaluation of an offeror's proposal is a matter largely within the agency's discretion. Frontline Healthcare Workers Safety Found., Ltd., B-402380, Mar. 22, 2010, 2010 CPD ¶ 91 at 5. In reviewing a protest that challenges an agency's evaluation of proposals, our Office will not reevaluate the proposals, but, rather, will examine the record to determine whether the agency's judgment was reasonable and consistent with the stated evaluation criteria and applicable statutes and regulations. Shumaker Trucking & Excavating Contractors, Inc., B-290732, Sept. 25, 2002, 2002 CPD ¶ 169 at 3. With respect to color or adjectival ratings, we have recognized that they are merely guides for intelligent decision-making in the procurement process. Citywide Managing Servs. of Port Washington, Inc., B-281287.12, B-281287.13, Nov. 15, 2000, 2001 CPD ¶ 6 at 11. Where an agency reasonably considers the underlying bases for the ratings, including the advantages and disadvantages associated with the specific content of competing proposals, in a manner that is fair and consistent with the terms of the RFP, the protester's disagreement over the adjectival or color ratings is essentially inconsequential in that it does not affect the reasonableness of the judgments made in the source selection decision. Sherrick Aerospace, B-310359.2, Jan. 10, 2008, 2008 CPD ¶ 17 at 6.

Here, the evaluators found that System High offered a management plan that exceeded the RFP's requirements. Among the numerous strengths cited by the evaluators was System High's identification of innovative management practices, such as the firm's Customer Operational Processing Engine, an enterprise-wide, multi-purpose management tool, which would provide the agency with scalability and flexibility to integrate with its current data systems. See AR, Tab 27, Final System High Technical Consensus Evaluation Report, at 2. The evaluators also noted the awardee's "clear-cut approach" to communications between contractor and government staff. Id. With respect to System High's transition plan, the evaluators found that the awardee's plan was comprehensive and extremely

detailed, providing necessary staff within the time required and addressing all task areas and necessary training. Id. The agency noted no weaknesses in System High's proposal under this factor.

Although CACI contends that System High lacks the size and experience to be rated blue/exceptional under this factor, the RFP did not provide for consideration of an offeror's size or experience under the management plan/execution of contracts requirements subfactor. Rather, the RFP informed offerors that the agency would be evaluating offerors' processes, procedures, and practices to manage and execute the contract. See RFP § M.1 at 65. Similarly, System High's staffing plan and/or proposed personnel were not evaluated under this subfactor, as CACI seems to believe. We also find no merit to CACI's complaint concerning System High's proposal of a large number of staff for which it had letters of intent. The RFP specifically informed offerors:

Assuming the quality of the personnel are the same, an Offeror proposing key personnel under Letters of Intent/Commitment will be rated equally as one proposing personnel currently employed.

RFP § M.1 at 67. In short, given the agency's determination that System High's proposal had numerous strengths and no weaknesses under the management plan/execution of contracts requirements subfactor, the record supports the agency's assessment of the awardee's proposal as blue/exceptional.

CACI also complains that the agency rated both its and System High's proposal as acceptable under the corporate support/facilities subfactor. CACI contends that the agency improperly failed to recognize that CACI provides far greater quality of corporate support/facilities than System High, given its longer existence and larger size. Protest at 27-28.

As noted above, offerors were instructed to discuss how their corporate philosophy, structure, physical facilities, in-house support staff and other features of its operation might enhance or otherwise support the project. In addition, offerors were requested to confirm that they and their subcontractors had a Top Secret facility clearance. See RFP § L.8 at 46-47. The evaluators found that both CACI and System High satisfied, but did not exceed, the RFP requirements.

The record shows that CACI in its initial proposal stated that three of its subcontractors did not have Top Secret facility clearances, although they anticipated receiving them soon. See CACI Initial Technical Proposal, at 43, Fig. 1-29. Following discussions, CACI addressed this issue in its final proposal revision, and the TEP found that CACI adequately explained how it intended to meet this requirement. The TEP also found that CACI's proposal satisfied the requirements under this subfactor by adequately discussing how its corporate structure would enhance the project with little proposal risk. The TEP concluded

that CACI's proposal was acceptable because it satisfied, but did not exceed, the requirements of this factor. AR, Tab 22, Final CACI Consensus Evaluation Report, at 5. Similarly, the TEP found that System High's proposal satisfied, but did not exceed, the requirements of this subfactor. Specifically, the evaluators found that the awardee adequately discussed its corporate structure and facilities, provided a team that was experienced in providing security support in a multi-level, multi-disciplined security environment, and had valid Top Secret facility clearances for itself and all its subcontractors. See AR, Tab 27, Final System High Consensus Evaluation Report, at 4.

Although CACI disagrees with the agency's judgment that both firms satisfied the requirements of this subfactor, but did not exceed them, its disagreement does not demonstrate that the agency's judgment was unreasonable. Rather, the record shows that the agency reasonably considered the advantages and disadvantages of both CACI's and System High's proposals under this subfactor.

Interested Party

CACI also challenges agency's evaluation of System High's technical proposal under the personnel and past performance factors,⁵ and the evaluation of its and System High's cost proposals. With respect to the offerors' evaluated costs, CACI challenges a number of aspects of the agency's cost realism evaluation, which it asserts that, if corrected, would have resulted in System High's evaluated costs increasing to approximately \$83.81M and CACI's evaluated costs decreasing to approximately \$87.97M.⁶ See Protester's Comments at 14, 18, 21. As explained below, CACI is not an interested party to challenge the agency's evaluation of System High's proposal under the personnel and past performance factors or the agency's cost realism evaluation, because, even accepting CACI's arguments with respect to these issues, Offeror A is an intervening offeror that would be in line for award.

Under the bid protest provisions of the Competition in Contracting Act of 1984, 31 U.S.C. §§ 3551-56 (2006), only an "interested party" may protest a federal procurement. That is, a protester must be an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of a contract or the failure to award a contract. Bid Protest Regulations, 4 C.F.R. § 21.0(a)(1) (2011).

⁵ As noted above, the proposals of CACI, System High, and Offeror A were rated blue/exceptional under the personnel and past performance factors and were determined to be essentially technically equal.

⁶ CACI does not challenge the evaluation of Offeror A's evaluated costs of \$87.78M, which, even accepting CACI's calculations of what its evaluated costs should have been, would be approximately \$190,000 lower than CACI's evaluated costs.

A protester is not an interested party where it would not be in line for contract award were its protest to be sustained. Where there is an intervening offeror that would be in line for award if the protester's challenge to the award were sustained, the protester does not have the requisite interest to qualify as an interested party. Recon Optical, Inc., B-310436, B-310436.2, Dec. 27, 2007, 2008 CPD ¶ 10 at 18 n. 22.

Here, CACI has not specifically challenged the evaluation of Offeror A's technical or cost proposals, nor challenged the agency's determination that Offeror A's and CACI's proposals were essentially equal.⁷ Because under CACI's own calculations Offeror A's evaluated costs would be lower than CACI's, and because the two firms' proposals were found to be essentially equal, even if we accept CACI's challenges to the evaluation of System High's proposal, Offeror A's proposal, and not CACI's, would be in line for award. See Science Applications Int'l Corp.; Dept. of the Navy -- Recon., B-247036.2, B-247036.3, Aug. 4, 1992, 92-2 CPD ¶ 73 at 8-9 (where proposals were found technically equal, the only discriminator for award was evaluated costs). Accordingly, CACI is not an interested party to challenge the agency's evaluation of System High's proposal under the personnel and past performance factors or the agency's cost realism evaluation, and these grounds of protest are dismissed.

The protest is denied in part and dismissed in part.

Lynn H. Gibson
General Counsel

⁷ We do not credit CACI's general and unsupported assertion that the agency used a lowest-price, technically acceptable basis for award, rather than best value, where, despite having the evaluation record, it did not challenge Offeror A's ratings or the agency's determination that Offeror A's and CACI's proposal were essentially equal.