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Decision

Matter of: Oasis Systems, LLC
File: B-407273.54; B-407273.61; B-407273.64
Date: June 19, 2014

Joseph J. Petrillo, Esq., Karen D. Powell, Esq., and Sophia Z. Watson, Esq., Petrillo & Powell, PLLC, for the protester.
Charles K. Bucknor, Jr., Esq., Department of Homeland Security, for the agency.
Noah B. Bleicher, Esq., and Sharon L. Larkin, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Agency's reevaluation of protester's proposal under corporate experience factor is unobjectionable where agency was not required to consider the results of the initial evaluation and the reevaluation was reasonable and consistent with the terms of the solicitation.
2. Agency's reevaluation of protester's proposal under small business participation approach factor is reasonable where agency credited protester for exceeding certain subcontracting goals but identified a conflict in the proposal submissions.
3. Protester's challenge to agency's price reasonableness evaluation is denied where record shows an evaluation consistent with the Federal Acquisition Regulation and the solicitation, and protester's argument primarily relies on its relatively low price as the baseline for comparison.
4. Agency's best value determination is unobjectionable where record shows an adequately-documented source selection that justifies awards to higher-rated, higher-priced offerors.

DECISION

Oasis Systems, LLC, of Lexington, Massachusetts, protests the Department of Homeland Security's (DHS) decision not to award the firm a contract under the functional category 2 unrestricted track of request for proposals (RFP) No. HSHQDC-11-R-10001, issued by DHS for information technology (IT) services. The protester challenges the agency's evaluation of its proposal under the

solicitation's corporate experience and small business participation approach factors as well as the agency's price evaluation. Oasis also objects to DHS' source selection decision.

We deny the protest.

BACKGROUND

DHS issued the RFP on November 1, 2010, seeking proposals for the second generation of DHS's enterprise acquisition gateway for leading-edge solutions II (EAGLE II) program. The solicitation anticipated the award of multiple indefinite-delivery/indefinite-quantity (IDIQ) contracts under which DHS would place fixed-price, cost-reimbursement, time-and-materials, or labor-hour task orders.¹ RFP at 2, 90. The RFP provided that contracts would be awarded for a 5-year base period and a single 2-year option period. Id. at 2. The RFP identified an unrestricted and a small business set-aside track. Id. at 108. Within each track, offerors competed for awards in one of three functional categories (FC): service delivery (FC1); IT program support services (FC2); and independent test, validation, verification, and evaluation (FC3). Id. at 10, 109. The RFP advised that DHS would conduct "separate and distinct" evaluations and award a "manageable number" of contracts within each track and functional category. Id. at 108-09.

This protest concerns the agency's evaluation of Oasis' proposal under the unrestricted track of FC2, IT program support services. Under the solicitation, FC2 contractors were to provide a "full range of business and technical management services." Id. at 12. The RFP's statement of work identified 15 areas of IT policy and planning encompassed in the FC2 track, "including, but not limited to, capital planning, strategic planning, workforce planning, budget execution, performance management, enterprise architecture, data management, information sharing, information security, training, enterprise resource management, business process re-engineering, IT transformation and strategy, organizational change management, and program management office support." Id.

The RFP advised offerors that awards would be made on a best-value basis considering price and the following non-price factors, listed in descending order of importance: corporate experience, past performance, program management, staffing, and small business participation approach.² Id. at 109. The non-price

¹ The RFP was amended 18 times during this procurement. Citations in this decision to the solicitation are to the conformed RFP issued via amendment 5.

² The RFP identified three small business participation approach subfactors, listed in descending order of importance: subcontracting plan, prime contractor participation in the DHS mentor-protégé program, and small disadvantaged business (SDB) participation program. RFP at 111.

factors, when combined, were “significantly more important than price.” Id. at 110. Pursuant to the RFP, awards would be made to the offerors whose proposals were deemed most advantageous to the government. Id. at 108.

The RFP provided detailed instructions for the preparation of proposals under each evaluation factor. For the corporate experience factor, the RFP instructed the offeror to “describe its qualifications and detail its specific experience conducting work of the same and/or similar nature” to that described in the RFP’s statement of work. Id. at 98. The offeror was required to include with its proposal: (a) “a narrative statement of its qualifications for being a prime contractor on EAGLE II and what expected benefit DHS will derive,” and (b) “five different examples of corporate experience information for active or complete ‘relevant/recent’ contracts/task orders and/or subcontracts . . . directly related to the services identified in the proposed FC.”³ Id. The RFP required that at least one of the five corporate experience examples be from the prime offeror (as opposed to the offeror’s core team members) and that at least one of the experiences demonstrate the offeror’s use of “creative solutions or innovations in achieving or exceeding customer objectives.” Id. The RFP further required the offeror to provide specific information for each corporate experience project, including, for example, the project value, contract type, and start and completion date. Id. at 98-99. Additionally, the offeror was to provide a project description for each corporate experience example, in which the offeror was instructed to:

Identify the prime or core team member that performed the work.
Describe the key objectives of the project, including the scope and complexity of the efforts and how the customer benefited operationally or strategically. Describe any other aspects of the project to demonstrate its relevance to being a DHS EAGLE II Contractor.
Describe the applicable prime/member’s role in the project and the challenges and lessons learned from your experience as the prime or subcontractor. Describe the integration of resources . . . into the customer’s environment.

Id. at 99.

In evaluating proposals under the corporate experience factor, the RFP provided that DHS would consider the extent to which the offeror had demonstrated the “qualifications and corporate experience to be an EAGLE II contract holder in performing work of the same or similar nature as that of the EAGLE II requirements in the proposed FC.” Id. at 110. The RFP further stated that the agency would

³ The RFP defined recent as within the last 3 years from the date of release of the RFP. Relevant was defined as “work which is the same and/or similar in complexity and scope to the work described in an EAGLE II FC.” RFP at 98.

evaluate any creative or innovative solutions the offeror applied to achieve or exceed customer objectives. Id. The source selection evaluation plan advised that the agency would document the strengths, weaknesses, and deficiencies under the evaluation factor⁴ and assign the proposal an adjectival rating of superior, good, satisfactory, marginal, or unsatisfactory.⁵ Agency Report (AR), Tab 6(a), Source Selection Evaluation Plan, at 16-17, 29-30.

Also of relevance here, the RFP described the requirements for each of the small business participation subfactors. Under the first subfactor, offerors were to submit a subcontracting plan that stated the offeror's goals with respect to utilizing small businesses and SDBs. RFP at 102. The RFP advised offerors of the following subcontracting goals that DHS "expects all proposed subcontracting plans to contain": 40 percent for small businesses, 3 percent for Historically Underutilized Business Zone (HUBZone) businesses, 5 percent for SDBs, 5 percent for woman-owned small businesses (WOSB), 5 percent for service-disabled veteran-owned small businesses (SDVOSB), and 6 percent for veteran-owned small businesses (VOSB). RFP, attach. L-5, at 1. Attached to the RFP was a template that offerors were to use for their subcontracting plan. See id. at 1-10. This template included data tables for each category of small business and SDB, and offerors were instructed to complete the tables with their proposed subcontracting percentage and dollar goals for the particular small business category.⁶ Id. at 2-3. Offerors were also required to identify in their plan at least three small businesses, submit two subcontracting reports for recent individual contracts, and include a "narrative addressing past experience in meeting proposed subcontracting goals. . . ." RFP at 102. To receive credit under the second subfactor, the RFP required offerors to submit a signed mentor-protégé agreement. Id. at 103. Pursuant to the third small business participation subfactor, the RFP instructed offerors to submit percentage targets for SDB participation and the offeror's plan for compliance. Id.

⁴ As relevant here, the source selection evaluation plan defined a strength as [deleted]. Agency Report (AR), Tab 6(a), Source Selection Evaluation Plan, at 28. A "meets requirements" was assigned when the offeror's response [deleted]. Id.

⁵ The source selection evaluation plan defined a superior proposal as one that [deleted]. AR, Tab 6(a), Source Selection Evaluation Plan, at 29 (emphasis in original). The source selection evaluation plan further stated that a superior proposal may be characterized by [deleted]. Id. In contrast, a satisfactory proposal was defined as one that [deleted]. Id. (emphasis in original). The source selection evaluation plan stated that a satisfactory proposal may be characterized by [deleted] or [deleted]. Id.

⁶ For purposes of compiling the subcontracting data, the RFP instructed offerors to assume a \$10M task order amount for the 5-year base period. RFP at 102.

The RFP advised that DHS would evaluate the offeror's "proposed approach to subcontracting . . . including the degree the subcontracting approach included meaningful goals to provide significant and appropriate opportunities for . . . small business categories." Id. at 111. The agency would also review the offeror's experience in meeting proposed subcontracting goals as well as any processes to correct inabilities to meet subcontracting goals. Id. In addition, the agency would evaluate whether the offeror participated in DHS' mentor-protégé program, and DHS would review the "extent of the [offeror's] commitment to use SDBs." Id. Pursuant to the source selection evaluation plan, the agency would rate proposals under the small business participation approach factor as excellent, good, satisfactory, unsatisfactory, or not applicable.⁷ AR, Tab 6(a), Source Selection Evaluation Plan, at 30-31.

With regard to price, the RFP instructed offerors to submit a pricing template in which the offeror was to detail its fully-burdened ceiling labor rates for each of the RFP's identified labor categories, as well as rates for materials, subcontracts, travel, and other direct costs for all contract periods.⁸ RFP at 103-04. The RFP advised that DHS would evaluate price proposals for accuracy, completeness, reasonableness, and "to determine if they are realistic. . . ." Id. at 111. For award purposes, DHS would evaluate the base period and options. Id. at 112.

Prior to the RFP's February 16, 2011, submission deadline, 28 offerors, including Oasis, submitted proposals under the unrestricted track for FC2. AR, Tab 12, Source Selection Evaluation Board (SSEB) Report, at 5, 9. A technical evaluation panel (TEP) evaluated the technical proposals and assigned adjectival ratings under each of the factors. A business management and price evaluation panel (BMPEP) evaluated proposals under the small business participation approach

⁷ As relevant here, according to the source selection evaluation plan, the difference between an excellent rating and a good rating is that an excellent is assigned when [deleted] and a good is assigned when [deleted]. AR, Tab 6(a), Source Selection Evaluation Plan, at 30. Both ratings also require a subcontracting approach with "meaningful goals to provide significant and appropriate opportunities for the small business categories" and demonstrated success in meeting proposed subcontracting goals on past contracts. Id.

⁸ The RFP identified 36 different labor categories. RFP, attach. L-3, Labor Categories and Qualifications, at 2-7. Within each labor category, offerors proposed rates for three different levels of experience and two different levels of security clearances (i.e., top secret and "secret or below"). Id. at 1; see also RFP, attach. L-1, Pricing Template, at 1-10. Additionally, the RFP required firms to propose one set of rates for performance at the government's site and another set of rates for performance at the contractor's site. RFP, attach. L-1, Pricing Template, at 1-10.

factor and evaluated price proposals. AR, Tab 6(a), Source Selection Evaluation Plan, at 16, 19. The TEP and BMPEP initially evaluated Oasis' proposal as follows:

Non-Price Factors	Oasis
1 - Corporate Experience	Satisfactory
2 - Past Performance	Excellent
3 - Program Management	Satisfactory
4 - Staffing	Superior
5 - Small Business Participation Approach	Good
Price Factor	
Total Evaluated Price	\$382,206,402.90

Protest, attach. 1, Aug. 23, 2013 Debriefing Letter, at 2. The agency conducted a best-value tradeoff and determined that 11 offerors represented the best value to the agency, and these firms, which did not include Oasis, were selected for awards. Id. at 1.

Of relevance here, in Oasis' initial agency debriefing, DHS highlighted several issues with the corporate experience examples the firm submitted for review. For example, DHS noted that corporate experience example 1 was actually the underlying IDIQ contract for the task orders submitted as corporate experience examples 2 and 4. Id. at 2. In this regard, the debriefing stated that corporate experience example 1 "overlaps" examples 2 and 4 and did "not present a different task order to demonstrate work that was actually performed." Id. at 2. DHS also explained that corporate experience example 3 was actually five separate contracts and task orders and "the specific contract time period addressed and value [] for each is indistinguishable." Id. at 3. Additionally, DHS noted that Oasis did not demonstrate the use of creative or innovative solutions to achieve or exceed customer objectives, as requested by the RFP. Id.; see RFP at 98. The debriefing did not identify any strengths in Oasis' proposal under the corporate experience factor.

After receipt of the written debriefing, Oasis protested to our Office challenging the agency's evaluation of its proposal and the agency's decision not to award the firm a contract. As a result of the protest, DHS took corrective action, which included reevaluating Oasis' proposal in its entirety and, if appropriate, awarding a contract to the firm. Based on the agency's corrective action, our Office dismissed the protest as academic. Oasis Sys., LLC, B-407273.16, Sept. 30, 2013.

DHS's reevaluation of Oasis' proposal pursuant to the agency's corrective action resulted in the following ratings:

Non-Price Factors	Oasis
1 - Corporate Experience	Satisfactory
2 - Past Performance	Excellent
3 - Program Management	Good
4 - Staffing	Superior
5 - Small Business Participation Approach	Good
Price Factor	
Total Evaluated Price	\$382,206,402.90

AR, Tab 12, SSEB Report, at 10. Thus, Oasis' proposal's rating under the program management factor improved; ratings under the other factors remained the same. As relevant here, in reassigning the firm a satisfactory rating under the corporate experience factor, the TEP concluded that Oasis' proposal indicated "an understanding of the program goals, resources, schedules, and other aspects essential to performance of the program." AR, Tab 10, Technical Evaluation Report for Reevaluation, at 2. After the reevaluation, the TEP assigned the proposal a strength for its use of creative and innovative solutions in two of the firm's corporate experience examples. Id. at 2-3. The evaluators also concluded that each of Oasis' five corporate experience examples, as well as the firm's narrative statement under the factor, "satisf[ie]d the minimum requirements without exceeding them." Id. at 3-5. Of note, the TEP report does not raise any of the concerns expressed in Oasis' original debriefing with respect to the firm's corporate experience examples.

Also of relevance here, the BMPEP assigned the proposal a good rating under the small business participation approach factor. In reaching this conclusion, the evaluators noted that Oasis' proposed subcontracting plan and small business goals mostly exceeded the DHS targets. AR, Tab 11, Business Management and Price Evaluation Report, app. 1, at 1. The evaluators commended Oasis' approach to provide "significant and appropriate opportunities" for various small business categories and credited the firm's stated subcontract allotment to SDBs. Id. at 1-2. However, the BMPEP highlighted a "conflict" in the proposal with respect to the proposed amount of work for SDVOSBs--Oasis' stated SDVOSB subcontracting goal was 3 percent but all four of Oasis' team members were identified as SDVOSBs. Id. The evaluators also noted that Oasis did not provide dollar figures for each small business category, as requested in the RFP. Id.; see RFP, attach L-5, at 2.

The TEP and BMPEP presented their consensus findings in reports to the source selection evaluation board (SSEB). The SSEB reviewed the technical and price findings and conducted a "comparative analysis of the proposals considered among the most highly rated." AR, Tab 12, SSEB Report, at 9. To identify the highest-rated proposals, the SSEB first sorted the offers by their ratings in the non-price

factors. Id. at 10. Offers rated highest in the most important factor of the RFP, corporate experience, were ranked ahead of those with lower corporate experience ratings; offers with the same corporate experience rating were then ranked by past performance rating; offers with the same past performance ranking were then ranked by the ratings in the remaining factors. Id. Based on this methodology, Oasis' proposal was ranked 17th for the non-price factors. Three higher-ranked offerors proposed lower prices than Oasis. See id.

Thereafter, the SSEB conducted a tradeoff analysis to determine whether the agency should award contracts to other than the highest technically-rated offerors or the lowest-priced offerors. Id. at 11-63. The SSEB determined that 11 proposals were the highest-rated, considering both the non-price factors and price. Id. at 11. The SSEB conducted a tradeoff analysis that took into account the non-price factors and price. The record shows that the SSEB compared Oasis' proposal with nine of the 11 highest-rated proposals, including the proposal in the initial group with the lowest non-price factor ratings as well as the proposal with the highest evaluated price. In each instance, the SSEB documented why the higher-rated proposal was a better value to the government. For example, the SSEB concluded that some of the highest-rated proposals offered "more robust and comprehensive" corporate experience than Oasis' proposal and others were "overall technically superior" to Oasis'. E.g., id. at 12, 19. The SSEB justified the price premium of another offer because that firm's "experience will ensure an EAGLE II contractor that is fully capable of meeting any of the requirements set forth in the RFP." Id. at 25. The SSEB determined that the 11 highest-rated offers represented the best value to the agency and these firms were recommended to the source selection authority (SSA) for award. Id. at 66.

The SSA reviewed the SSEB's report and agreed with its assessments and award recommendations. AR, Tab 13, Source Selection Decision Memorandum for Reevaluation, at 1. The SSA concluded that Oasis' proposal "did not present a sufficient combination of non-price and price attributes to be considered to represent the best value to the government." Id. at 14. Instead, the SSA determined that the 11 firms recommended for award were the "most highly rated and qualified Offerors to support the EAGLE II program" and award was made to these offerors. Id. at 15.

On February 21, 2014, DHS notified the protester that it had not been selected for award. Oasis timely requested a debriefing, which the agency provided in writing on March 7. AR, Tab 15, Debriefing Letter to Oasis, at 1-6. This protest followed.

DISCUSSION

Oasis objects to DHS' evaluation of the firm's proposal under the corporate experience and small business participation approach factors. Oasis also

challenges the agency's evaluation of some of the awardees' price proposals. Finally, Oasis protests the agency's best value award determinations.

Corporate Experience

Oasis protests the agency's evaluation of its proposal under the corporate experience factor primarily on the basis that the "problems" DHS identified in the firm's initial debriefing are "no longer issues" and so the proposal's rating should have improved. Protest at 6. The protester also complains that DHS failed to give the firm credit for providing examples of corporate experience that were "directly relevant" to the FC2 categories of services identified in the RFP's statement of work. Id. at 8.

The evaluation of an offeror's proposal is a matter within the agency's discretion, and this Office will not reevaluate proposals; rather, we will review an agency's evaluation to determine whether the agency's judgments were reasonable and consistent with the stated evaluation criteria. See, e.g., Rome Research Corp., B-291162, Nov. 20, 2002, 2002 CPD ¶ 209 at 4. A protester's disagreement with an agency's judgments does not render the evaluation unreasonable. Id.

The fact that a reevaluation varies, or does not vary, from an original evaluation does not constitute evidence that the reevaluation was unreasonable. It is implicit that a reevaluation could result in different findings and conclusions. IAP World Servs., Inc., B-406339.2, Oct. 9, 2012, 2012 CPD ¶ 287 at 3-4; QinetiQ North Am., Inc., B-405163.2 et al., Jan. 25, 2012, 2012 CPD ¶ 53 at 13. The essence of an agency's evaluation is reflected in the evaluation record itself, not in the adjectival ratings or adjectival characterizations of proposal features as strengths or weaknesses. See Stateside Assocs., Inc., B-400670.2, B-400670.3, May 28, 2009, 2009 CPD ¶ 120 at 8. The overriding concern is not whether the final ratings are consistent with earlier ratings, but whether they reasonably reflect the relative merits of proposals. See Domain Name Alliance Registry, B-310803.2, Aug. 18, 2008, 2008 CPD ¶ 168 at 11 (denying protest that agency reevaluation and technical ratings were unreasonable because agency did not explain why evaluations differed between the initial evaluation and reevaluation undertaken during corrective action).

Here, we find that DHS' reevaluation of Oasis' proposal under the corporate experience factor was unobjectionable. The record shows that the TEP reviewed the corporate experience examples and narrative statement that Oasis submitted in its proposal. The TEP detailed the protester's experience in each of the examples and concluded that the work performed by Oasis appeared to be "relevant in scope and complexity" to the EAGLE II requirements. AR, Tab 10, Technical Evaluation Report for Reevaluation, at 3-4. In this respect, contrary to the protester's assertion, the record shows that as part of its evaluation, the TEP considered whether the work Oasis had performed overlapped the services to be provided under the EAGLE II contract. For instance, under corporate experience example 4,

the TEP recognized that Oasis “provided the full range of FC2 support, including senior advisors to Program Managers and Financial Managers, subject matter experts in specific technical fields, and specialists supporting all PMO tasks including administration, training, security, program reporting, and graphics support.” Id. at 2; see also id. at 3 (noting that the corporate experience example 1 task order submitted for review “included several elements of the FC2 work”).

Although the evaluators noted that “[a]ll five examples included challenges, lessons learned and how the Offeror integrated its resources into the Customer environment,” id. at 2, the TEP reasonably concluded that the examples and Oasis’s overall narrative statement did not exceed the requirements of the solicitation in a beneficial way such that they warranted being identified as strengths. See AR Tab 6(a), Source Selection Evaluation Plan, at 28. The lone strength assigned to Oasis’ proposal under the factor was for the firm’s use of creative or innovative solutions in more than one experience. AR, Tab 10, Technical Evaluation Report for Reevaluation, at 2. The TEP concluded that Oasis’ proposal was “proficient and . . . demonstrate[d] the capability to perform the [FC2] services. . . .” Id.

On this record, we find reasonable the agency’s determination that the proposal earned a satisfactory rating under the corporate experience factor. As discussed above, the evaluators reached this conclusion after a qualitative assessment of the features of Oasis’ corporate experience submissions, which resulted in the proposal being assigned only one strength under the factor. Moreover, the fact that the reevaluation differed from the initial evaluation does not demonstrate that the corporate experience reevaluation was unreasonable. See IAP World Servs., Inc., supra. Though Oasis contends that its proposal “demonstrated an ability to provide above-average performance,” Comments at 5, the protester’s disagreement with the agency’s conclusions does not provide a basis to sustain the protest.

Small Business Participation Approach

Next, Oasis challenges the assignment of a good rating to its proposal under the small business participation approach factor. Protest at 9. Oasis argues that it should have been rated excellent because it proposed only small business team members and proposed to exceed DHS’ small business subcontracting goal. Id. The protester also complains that one of the awardees, Grant Thornton, LLP, was rated excellent even though the firm’s proposed core team members included large businesses. Id.; Comments at 6.

As discussed above, under this factor DHS advised that it would review the offeror’s subcontracting plan, any mentor-protégé agreement, and the offeror’s commitment to using SDBs. RFP at 111. Oasis submitted a subcontracting plan with a stated overall subcontracting goal of 45 percent (or \$900,000 per year, pursuant to the RFP’s instruction to assume a \$10M task order for the 5-year base period when

compiling the subcontracting data), all of which was for small businesses. AR, Tab 7, Oasis Proposal, Tab C-1, at 1. As relevant here, Oasis' plan included a subcontracting target of 40 percent of the available subcontracting dollars (\$360,000) to VOSBs.⁹ Id. at 2. With respect to the firm's SDVOSB subcontracting goal, Oasis inserted under the VOSB data table the following notation: "At least 3% of SDVOSB in veteran-owned small business." Id. at 2. The subcontracting plan did not include a separate table stating the firm's SDVOSB subcontracting goals.

Oasis' subcontracting plan also named three small business subcontractors, each of which the proposal identified as SDVOSBs. Id. at 4. In addition, with respect to the RFP requirement to submit two subcontracting reports for recent contracts, RFP at 102, Oasis' plan indicated that while the firm currently held contracts that required subcontracting plans, the firm did not have any reports to submit "because the reporting period for those specific contracts have not been completed." AR, Tab 7, Oasis Proposal, Tab C-1, at 9. The proposal did not, however, identify the specific contracts it was referring to. Finally, Oasis identified in its proposal a fourth SDVOSB team member with which Oasis had entered into a mentor-protégé agreement. AR, Tab 7, Oasis Proposal, Tab C-3, at 1; AR, Tab 7, Oasis Proposal, Tab B, at 1. Oasis also stated that it would provide 20 percent of all EAGLE II subcontracting dollars to this particular business concern. AR, Tab 7, Oasis Proposal, Tab C-3, at 1.

The record here shows that the BMPEP conducted a reasonable evaluation of Oasis' proposal under the small business participation approach factor. The BMPEP reviewed Oasis' small business submissions and credited the proposal for exceeding DHS' subcontracting and small business goals. The evaluators found that the firm's subcontracting approach included "meaningful goals to provide significant and appropriate opportunities for the small business categories and the [subcontracting] plan provided the principal types of services anticipated to be contracted." AR, Tab 11, Business Management and Price Evaluation Report, app. 1, at 1. The evaluators also noted that Oasis' SDB goals "reflect some details on the variety of the work the SDBs will perform under the contract." Id. at 2. The record shows that the BMPEP reviewed Oasis' mentor-protégé agreement and credited Oasis' proposed amount of subcontracting dollars to SDBs, which exceeded DHS' SDB target. Id. While the evaluators acknowledged that Oasis did not submit any individual subcontracting reports because the reporting period for those contracts was not yet complete, this was not considered by the BMPEP to be a weakness. Id. at 1; Supp. Contracting Officer Statement, at 2.

⁹ Oasis' subcontracting plan also included goals of 5 percent (\$45,000) to HUBZone businesses, 25 percent (\$225,000) to SDBs, and 10 percent (\$90,000) to WOSBs. AR, Tab 7, Oasis Proposal, Tab C-1, at 1-2.

In addition to these positive attributes, the BMPEP identified a “conflict” in Oasis’ subcontracting plan with respect to the proposed amount of work for VOSBs and SDVOSBs. AR, Tab 11, Business Management and Price Evaluation Report, app. 1, at 1. Specifically, the BMPEP pointed out that Oasis proposed to subcontract only 3 percent to SDVOSBs, but Oasis had identified all four of its team members as SDVOSBs. Id. The BMPEP concluded that Oasis should have assigned the 40 percent slated for VOSBs to the SDVOSB category and should have included a dollar amount for the SDVOSB work, as required by the RFP. Id. at 1-2; see RFP, attach. L-5, at 3. Indeed, according to the DHS contracting officer, it was not clear from Oasis’ subcontracting plan whether the firm proposed to actually exceed DHS’ VOSB subcontracting targets because of this discrepancy in the proposal. Contracting Officer’s Supp. Statement at 2. The BMPEP explained that Oasis was assigned a good rating because it failed to include the data table separately outlining the subcontracting percentage and dollar goals for SDVOSBs, as required by the RFP. AR, Tab 11, Business Management and Price Evaluation Report, app. 1, at 1; see RFP, attach. L-5, at 3.

We find nothing unreasonable about the agency’s assignment of a good rating to Oasis’ proposal under the small business participation approach factor. The record shows that the agency properly considered both the positive aspects of Oasis’s subcontracting plan and SDB goals, as well as the issues identified with respect to the SDVOSB percentages and dollars. Oasis’ assertion that it should have been rated higher reflects its disagreement with the evaluation conclusions but does not provide a basis to sustain the protest.¹⁰

Moreover, Oasis’ complaint that Grant Thornton was rated excellent despite proposing two large businesses as core team members is also misplaced. See Comments at 6. In this regard, the record shows that in rating the firm, the BMPEP conducted a thorough evaluation of all aspects of Grant Thornton’s small business participation approach submissions. Grant Thornton proposed to exceed DHS’ small business and SDB targets, and the agency found that the firm’s subcontracting approach also included “meaningful goals to provide significant and appropriate opportunities for each of the small business categories.” AR, Tab 11, Business Management and Price Evaluation Report, app. 1, at 16. Moreover, in addition to the large business core team members Oasis focuses on, Grant

¹⁰ Regardless, we note that the small business participation approach factor was the least important of the five non-price factors. In this respect, we are not persuaded by the protester’s position that a rating change under the factor would have significantly improved the firm’s chances for award, particularly in light of the fact that, as concluded above, the firm’s satisfactory corporate experience rating--the most important factor--was unobjectionable. See Supp. Comments at 9; see, e.g., Paragon TEC, Inc., B-405384, Oct. 25, 2011, 2011 CPD ¶ 240 at 9 (competitive prejudice is an essential element of a viable protest).

Thornton also identified in its proposal several small businesses and SDBs that were part of its team, including three SDB core team members. Id. at 17; AR, Tab 8(d), Grant Thornton Proposal, Tab C-1, at 5. Further, the evaluators highlighted that Grant Thornton's subcontracting goals "reflect numerous details" including plans for compliance. AR, Tab 11, Business Management and Price Evaluation Report, app. 1, at 17. The BMPEP also found that the firm was "largely successful in meeting or exceeding their small business goals" on previous contracts, based on the subcontracting reports Grant Thornton submitted. Id. at 16. Finally, the BMPEP acknowledged Grant Thornton's participation in the DHS mentor-protégé program. Id. at 17. Unlike Oasis' evaluation, no issues or problems with Grant Thornton's small business submissions were identified.

On this record, we find unobjectionable the agency's evaluation of Grant Thornton's proposal under the small business participation approach factor. We disagree with Oasis's contention that it was irrational to rate Grant Thornton's proposal as excellent and Oasis' as good based solely on the fact that Grant Thornton did not team exclusively with small businesses. In this regard, neither the RFP nor the source selection evaluation plan require a lower rating to an offeror that teams with other large businesses. While we recognize that Oasis' small business goals exceeded Grant Thornton's in four of six categories, see Supp. Comments at 2, we note that, as discussed above, Oasis' proposal was reasonably assigned a good rating primarily because of the conflict identified in the firm's subcontracting plan with respect to its VOSB and SDVOSB goals. See AR, Tab 11, Business Management and Price Evaluation Report, app. 1, at 1.

Finally, the protester takes exception to DHS' consideration of Grant Thornton's subcontracting reports, arguing that it resulted in unequal treatment because Oasis' subcontracting reports were not available for consideration. Comments at 7; Supp. Protest at 3. We disagree. In this regard, the RFP expressly required the submission of "two Subcontracting Reports for recent individual contracts," and the RFP advised that the agency would use these reports to evaluate "[t]he Offeror's past experience in meeting proposed subcontracting goals. . . ." RFP at 102, 111. In accordance with the RFP, Grant Thornton submitted two subcontracting reports, and the agency properly considered the information contained therein. That Oasis did not have a completed subcontracting report for DHS to evaluate does not constitute unequal treatment. That is, the agency was not precluded from considering information submitted by one offeror--as required by the RFP--solely because another offeror could not produce the same information. For the reasons outlined above, we conclude that the agency's evaluation under the small business participation approach factor was reasonable.¹¹

¹¹ We also disagree with Oasis' contention that the agency was required to "seek and consider" information about the firm's performance with regard to its subcontracting plans on previous contracts. See Supp. Protest at 3. As explained
(continued...)

Price Evaluation

Next, the protester contests the agency's price evaluation. Specifically, Oasis complains that several of the awardees proposed unreasonably high prices, especially as compared to Oasis' price, such that DHS should have rejected these proposals.¹² Protest at 10; Comments at 8.

An agency is required to determine that offered prices are fair and reasonable before awarding a fixed-price contract. Federal Acquisition Regulation (FAR) § 15.402(a). The FAR permits the use of various price analysis techniques and procedures to ensure fair and reasonable pricing, including the comparison of proposed prices received in response to the solicitation to each other or to an independent government estimate. FAR § 15.404-1(b)(2); Comprehensive Health Servs., Inc., B-310553, Dec. 27, 2007, 2008 CPD ¶ 9 at 8. The depth of an agency's price analysis is within the agency's discretion and we will review its analysis for reasonableness. Advanced Sys. Tech. & Mgmt., Inc., B-291529, Dec. 20, 2002, 2002 CPD ¶ 219 at 4.

The record here shows a comprehensive price evaluation consistent with the FAR and the terms of the solicitation. As discussed above, the RFP advised that the agency would evaluate proposed prices for accuracy, completeness, and reasonableness, and it would conduct a price realism analysis.¹³ RFP at 111. With

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above, Oasis did not identify in its proposal which contracts it was currently performing that required subcontracting plans, and the evaluators explained that they had no knowledge of Oasis' subcontracting performance on any contracts. See Supp. Contracting Officer's Statement at 2. The record simply does not support Oasis' suggestion that the evaluators should have searched for information about the firm's subcontracting plans on previous contracts.

¹² Oasis also argues that the agency should have rejected some of the awardees' proposals because they improperly included unbalanced pricing. Supp. Protest at 3; 2nd Supp. Protest at 1. We have reviewed the record, including the proposals submitted by the firms singled out by the protester, as well as related price evaluation documents, and we find that the complaint does not provide a basis to sustain the protest.

¹³ Although the protester complains that the agency improperly concluded that the awardees' "much higher prices were reasonable or realistic," Protest at 10, price reasonableness and price realism are, as our decisions make clear, distinct concepts. Whether offered prices are higher than warranted concerns price reasonableness. Logistics 2020, Inc., B-408543, B-408543.3, Nov. 6, 2013, 2013 CPD ¶ 258 at 7; Sterling Servs., Inc., B-291625, B-291626, Jan. 14, 2003, 2003 CPD ¶ 26 at 3. On the other hand, price realism measures whether a proposed

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respect to price reasonableness, the record shows that the agency used multiple methods to assess whether proposed prices were unreasonably high. First, the evaluators compared each offerors' total evaluated prices to the mean of all offeror's evaluated prices, \$449,503,765.12. AR, Tab 11, Business Management and Price Evaluation Report, app. 4, at 1. Based on this comparison, the evaluators noted that 12 offerors' prices fell within 0 percent and +/- 10 percent of the mean; 13 offerors' prices fell between +/- 10 percent and +/- 20 percent of the mean; and 3 offerors' prices fell more than +/- 20 percent from the mean. AR, Tab 11, Business Management and Price Evaluation Report, at 5. Next, the BMPEP compared each offerors' total evaluated prices to the independent government cost estimate (IGCE) of \$483,935,153.57. AR, Tab 11, Business Management and Price Evaluation Report, app. 4, at 1. Eight firms' prices fell above the IGCE; 20 firms' prices fell below the IGCE. Id. Only one firm proposed a price that was more than 10 percent above the IGCE. Id. Finally, the BMPEP compared labor rates between offerors and identified which rates were 50 percent or more above or below the mean of the particular rate.¹⁴ AR, Tab 11, Business Management and Price Evaluation Report, app. 5, at 1. Based on this analysis, the agency reasonably concluded that all but one offeror proposed reasonable prices.¹⁵

Specifically, the record shows that the awardees proposed prices that were as low as 27.08 percent below the mean (32.23 percent below the IGCE) to 8.78 percent above the mean (1.04 percent above the IGCE). AR, Tab 11, Business Management and Price Evaluation Report, app. 4, at 1. On this record, which is based on price analysis techniques that are consistent with the requirements of FAR § 15.404-1, we have no basis to question the agency's determination that the awardees proposed fair and reasonable prices. We are also not persuaded by the protester's contention that the highest-priced awardees proposed unreasonable prices where the protester is relying solely on its relatively low price--14.97 percent below the mean (21.02 percent below the IGCE)--as the baseline for comparison. See Protest at 8. In this regard, the fact that some of the awardees proposed

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price is so low that it poses a performance risk. Logistics 2020, Inc., supra; C.L. Price & Assocs., Inc., B-403476.2, Jan. 7, 2011, 2011 CPD ¶ 16 at 3. Thus, the protester's arguments here--that proposed prices are too high--relate to price reasonableness.

¹⁴ The BMPEP also reviewed proposed indirect rates applicable to materials to identify outliers. AR, Tab 11, Business Management and Price Evaluation Report, at 6.

¹⁵ One offeror proposed prices that were 52.61 percent above the mean (41.76 percent above the IGCE). AR, Tab 11, Business Management and Price Evaluation Report, at 6. This offeror was not selected for award.

higher prices than Oasis does not demonstrate that their prices were unreasonable.¹⁶

In sum, we find nothing improper about the agency's determination that the awardees' prices were fair and reasonable. Oasis' disagreement with the agency's evaluation conclusions does not provide a basis to sustain the protest.

Best Value Determination

Lastly, Oasis objects to the agency's best value determination that resulted in awards to 11 firms. The protester contends that even without adjusting its non-price ratings, DHS should have considered its proposal a better value than some of the awardees. Protest at 10.

Where, as here, the RFP provides for a best value decision, the source selection official retains discretion to select a higher-priced but technically higher-rated submission, if doing so is in the government's best interest and is consistent with the solicitation's stated evaluation and source selection scheme. 4-D Neuroimaging, B-286155.2, B-286155.3, Oct. 10, 2001, 2001 CPD ¶ 183 at 10. The source selection official has broad discretion in determining the manner and extent to which he/she will make use of technical and cost evaluation results, and this judgment is governed only by the tests of rationality and consistency with the stated evaluation criteria. Id.

As explained above, the SSEB compared Oasis' proposal with 9 of the 11 highest-rated proposals, including the proposals with the highest evaluated price and the lowest non-price factor ratings. See AR, Tab 12, SSEB Report, at 11-14, 18-19, 23-31, 48-52. In conducting its comparative analysis, the SSEB documented why the higher-rated proposals were a better value to the government than Oasis', taking into account Oasis' proposal's price advantage where applicable. For example, as compared to the highest-priced offer (with an evaluated price 21.83 percent higher than Oasis), the SSEB noted that the offer presented "stronger examples" of corporate experience than Oasis and was rated higher under the most important factor. Id. at 50. Though the two proposals were assigned the same past performance rating, the SSEB looked beyond the adjectival ratings and noted that the higher-priced offeror submitted more past performance information for review than Oasis. Id. Because of its "more complete record" of past performance, the

¹⁶ In addition, while Oasis argues generally that an analysis of the median price "would have been a more accurate number," Comments at 8, we find that the agency's price evaluation methods here were reasonable and consistent with the FAR and the solicitation. In any event, the record for this protest includes all offerors' prices, yet the protester has not demonstrated that consideration of the median price would have resulted in a different price evaluation outcome.

SSEB described “an additional level of confidence” in that firm. Id. The SSEB reasonably concluded that the higher-priced offeror “demonstrated overall technical superiority to [Oasis] and more effectively demonstrated the capability to be an EAGLE II contractor” and was “worth the higher [evaluated price].” Id.

The record includes a similar analysis comparing Oasis to the lowest-rated offer in the initial grouping. This offer was rated higher than Oasis’ under corporate experience, lower under past performance, and the same under the remaining factors, and this offeror’s proposed price was 11.90 percent lower than Oasis’. Id. at 49. The SSEB reviewed the evaluation results underlying the ratings and found that the lower-priced offer presented “a stronger overall record of performing the types of services required” under the solicitation. Id. Therefore, the SSEB reasonably concluded that Oasis did not represent a better value to the agency than this offeror.

The SSA conducted an independent review of the evaluation record and considered the findings in the SSEB report. AR, Tab 13, Source Selection Decision Memorandum for Reevaluation, at 1. The SSA agreed with the SSEB’s assessments and award recommendations. Id. In his decision document, the SSA provided a detailed analysis of the proposals selected for award. With respect to Oasis’ proposal, the SSA agreed with the SSEB that the protester’s offer “did not present a sufficient combination of non-price and price attributes to be considered to represent the best value to the government.” Id. at 14.

We disagree with the protester’s contention that the source selection was inconsistent with the solicitation and that DHS “diluted price into insignificance.” See Protest at 11. In this regard, the record shows that the SSEB considered the non-price factors in the order of importance outlined in the RFP, weighed price differentials of competing proposals, and conducted a tradeoff that documented and justified paying any price premiums. The protester’s disagreement with the best value decision does not provide a basis to sustain Oasis’ protest.

The protest is denied.

Susan A. Poling
General Counsel