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Decision

Matter of: Sierra Nevada Corporation
File: B-410485; B-410485.2; B-410485.3
Date: January 5, 2015

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DIGEST

1. Protest that the agency improperly elevated the importance of a solicitation goal to a de facto requirement is denied where the evaluation was consistent with the stated criteria.
2. Protest challenging the agency's determination that the awardee's fixed price was realistic is denied where the agency reasonably considered various factors supporting the awardee's low price.
3. Protest of the agency's technical evaluation is denied where the evaluation was reasonable, consistent with the stated criteria, and not unequal.
4. Protest of the agency's past performance evaluation is denied where the agency conducted a reasonable evaluation of the offeror's past performance references, and gave effect to all elements of the evaluation set forth in the RFP.

DECISION

Sierra Nevada Corporation, of Louisville, Colorado, protests the award of contracts to The Boeing Company, Space Exploration, of Houston, Texas, and to Space Exploration Technologies Corporation (SpaceX), of Hawthorne, California, by the National Aeronautics and Space Administration (NASA), under request for proposals (RFP) No. NNK14467515R, for NASA's Commercial Crew Transportation Capability Contract (CCtCap). Sierra Nevada alleges that NASA's evaluation of proposals departed from the RFP's stated criteria, and was unequal and unreasonable.

We deny the protest.

BACKGROUND

The RFP

The CCtCap RFP is the second phase of NASA's two-phase procurement strategy "to develop a U.S. commercial crew space transportation capability to achieve safe, reliable and cost effective access to and from the International Space Station (ISS) with a goal of no later than 2017." Agency Report (AR), Tab 4, at 1594. NASA began this two-phase effort in December 2012, with the award of phase one contracts to Sierra Nevada, Boeing, and SpaceX. Under the phase one contracts, each firm produced various deliverables outlining their technical and management approach to the design, development, testing, and evaluation of their proposed crew transportation system. Id. The phase two contracts anticipate completion of the design, development, testing, and evaluation plans, and obtaining certification of an integrated crew transportation system that meets NASA's requirements. The phase two contracts also include post-certification missions to the ISS, and risk-reduction studies and services. Id.

NASA issued the CCtCap RFP on November 19, 2013. AR, Tab 4, at 1600. The RFP provided for the award of one or more fixed-price contracts on a best-value basis, considering three evaluation factors: mission suitability, past performance, and price. Id. at 1774. Concerning relative importance, the RFP advised that the price factor was more important than the mission suitability factor, which was more important than the past performance factor. Id. Overall, the mission suitability and past performance factors, when combined, were approximately equal to price. Id.

The mission suitability factor was comprised of three numerically scored subfactors: (1) technical, crew safety and mission assurance (525 points); (2) management approach (400 points); and (3) small business utilization (75 points). The technical subfactor and management approach subfactor were themselves comprised of multiple elements. The elements of the technical subfactor included the offeror's approach to obtaining NASA certification of the crew transportation system

(considering “the [o]fferor’s approach to meet contract requirements and objectives to achieve NASA certification with a goal of [no later than (NLT)] 2017”), the level of certification maturity (considering the offeror’s responses to NASA feedback under the phase one contract), and the approach to post-certification missions to the ISS. Id. at 1777. The technical subfactor also included consideration of the offerors’ proposed performance work statements, integrated master plans, and integrated master schedules. The elements of the management subfactor included the offeror’s approach to government insight (NASA access to data, transparency to critical activities, etc.), approach to program management, approach to lifecycle cost management, and organizational structure and management.

Under the past performance factor, the RFP provided that NASA would evaluate each offeror’s “recent Past Performance record of relevant work that is similar in size, content, and complexity to the requirements of this solicitation.” Id. at 1783. Concerning relevancy, the RFP advised as follows:

Contracts and/or agreements that include content and complexities similar to the CCtCap contract will be considered more relevant. Relevant work includes contracts and agreements for space system development and mission services. Past performance related to crewed space system development is considered more relevant than past performance related to un-crewed space system development. Past performance related to the design and development of a [crew transportation system] is considered more relevant than past performance that is limited to an element of a [crew transportation system]. Past performance related to space system development and mission services to the International Space Station, including integration, is considered more relevant than past performance limited to space system development and mission services not to the International Space Station.

Id. at 1784. The RFP also advised that “the Government will consider the past performance information regarding the [phase one contracts] as relevant work to the requirements of this solicitation.” Id.

With regard to the price factor, the RFP provided that each offeror’s evaluated price would consist of the sum of three fixed-price contract line item numbers (CLINs). For CLIN 001, each offeror was to propose a fixed price for its remaining developmental work, up to and including certification of an integrated commercial crew transportation system. For CLIN 002, the offerors were to propose fixed prices for post-certification missions to the ISS, on an indefinite-delivery, indefinite-quantity basis, with a minimum of two and a maximum of six post-certification missions. For

CLIN 003, the offerors were to provide fixed-price labor rates for risk reduction studies and services, to be multiplied by government-provided labor hours.

The RFP also provided that prices would be evaluated for reasonableness, unbalanced pricing, and risk of default. Concerning risk of default, the RFP advised that:

Relatively low prices will also be evaluated to determine whether there is a risk of default in the event of award to that Offeror. If the Government determines that there is a high risk of default, such a determination may serve as the basis for non-selection.

Id. at 1783.

Summary of Proposals

Each of the three phase one contractors--Sierra Nevada, Boeing, and SpaceX--submitted a proposal in response to the RFP. In brief, each contractor proposed to continue its unique phase one approach to meeting NASA's requirements. Sierra Nevada proposed its Dream Chaser crew transportation system, a lifting-body spacecraft. Sierra Nevada proposed to launch the Dream Chaser via United Launch Alliance's Atlas 5 launch vehicle, and to land the spacecraft via horizontal landing on normal runways. Sierra Nevada's proposed schedule anticipated NASA certification in [DELETED] 2017.

Boeing proposed its CST-100 crew transportation system, a capsule spacecraft. Like Sierra Nevada, Boeing proposed to launch the CST-100 via United Launch Alliance's Atlas 5 launch vehicle. The proposed CST-100 relies on a combination of parachute and airbag systems for hard-surface landings, or contingency water landings. Boeing's proposed schedule anticipated NASA certification in [DELETED] 2017.

SpaceX proposed its Crew Dragon crew transportation system, also a capsule spacecraft. Unlike Sierra Nevada and Boeing, SpaceX proposed to conduct its own launches using its Falcon 9 launch vehicle. The proposed Crew Dragon relies on parachutes and propulsive soft landing systems for hard-surface landings, or contingency water landings. SpaceX's proposed schedule anticipated NASA certification in [DELETED] 2017.

NASA Evaluation of Proposals

NASA established a competitive range consisting of all three offerors and conducted discussions between April and June of 2014. All three offerors provided

final revised proposals in response to discussions. NASA’s final evaluation rated the proposals as follows:

	Boeing	SpaceX	Sierra Nevada
Mission Suitability	913 Points	849 Points	829 Points
Technical (525 Points)	Excellent 488 Points	Very Good 457 Points	Very Good 420 Points
Management (400 Points)	Excellent 372 Points	Very Good 344 Points	Very Good 356 Points
Small Business (75 Points)	Good 53 Points	Good 48 Points	Good 53 Points
Past Performance	Very High Confidence	High Confidence	High Confidence
Price	\$3.01 B	\$1.75 B	\$2.55 B

AR, Tab 33, at 152002.

Source Selection Decision

In the source selection decision (SSD), the source selection authority (SSA) explained that, for the non-price factors, he first considered the technical approaches and schedules, and the offerors’ ability to meet NASA’s safety certification standards in the 2017 timeframe. AR, Tab 36, at 152651. In this area, as relevant, the SSA noted that all three offerors had significant strengths for providing additional inherent capabilities, and for their design solutions. Among the three proposals, the SSA concluded that Boeing’s CTS-100 had the most utility and value to the government, and that both the CTS-100 and SpaceX’s Crew Dragon had “higher overall design maturity than [Sierra Nevada’s Dream Chaser].” Id. at 152652.

Additionally, the SSA noted that all three offerors had strengths in their certification approach, but that each offeror also had a weakness relating to schedule. In this area, the SSA determined that while all three schedules were compressed, the “SpaceX and [Sierra Nevada] schedules are more likely to be subject to greater schedule delays,” and that “[Sierra Nevada’s] schedule is the most compressed, technically challenged and likely to have the greatest delays.” Id. at 152653. The SSA also noted that Sierra Nevada’s planned certification date was already “[DELETED].” Id.

The SSA also considered the offerors’ responses to NASA’s feedback under the phase one contract. In this area, the SSA determined that Boeing provided a very thorough and realistic plan that showed a clear understanding of activities needed to address NASA’s feedback. The SSA considered this to be a significant discriminator in favor of Boeing. Regarding Sierra Nevada, the SSA concluded that its proposal showed a clear understanding of the work needed to resolve risks identified in the phase one contract, but had weaknesses related to an “unclear approach” to making its decision on a frangible joint versus a fallback design, and to

conducting validation testing for its abort performance model. Id. at 152654. The SSA concluded that SpaceX's proposal contained an adequate plan to address NASA's feedback from the phase one contract, but that its response was the lowest-rated in this area, and contained a weakness concerning its plan to handle electrical, electronic, and electromechanical (EEE) parts issues.

In his analysis of price, the SSA determined that all prices were fair and reasonable, and that there was no evidence that any offeror's price was "too low for the work to be performed such that there was a risk of default." Id. at 152641. The SSA also noted the source evaluation board's (SEB) finding that none of the proposals evidenced unbalanced pricing. Id.

In his tradeoff determination, the SSA reviewed the relative importance of the evaluation factors as set forth in the RFP (price was more important than mission suitability, which was more important than past performance), before concluding that, "[o]f the three proposals, SpaceX had the best price and also had Very Good mission suitability and a High level of confidence in past performance." Id. at 152659. Although he had concerns with the proposal, the SSA concluded that SpaceX's system offered a higher level of design maturity, and more schedule margin due to its proposed [DELETED] 2017 certification date (the earliest proposed date of the three offerors), which would allow it to address concerns while remaining within the RFP's stated goal of certification not later than 2017. Id.

The SSA next concluded that "[o]f the other two proposals, Boeing has a higher price than [Sierra Nevada], but also is the strongest of all three proposals in both Mission Suitability and Past Performance." Id. The SSA found that Boeing's system offered the most inherent capabilities and operational flexibility, was fairly mature in design, and had the most well-defined plan to address specific issues presented in the phase one contract. Id. These considerations led the SSA to conclude that "I consider Boeing's superior proposal, with regard to both its technical and management approach and its past performance, to be worth the additional price in comparison to the [Sierra Nevada] proposal." Id. at 152660.

The SSA explained that while Sierra Nevada had a strong management approach, a good approach to certification and a realistic plan for addressing issues from the phase one contract, he agreed with the SEB that Sierra Nevada had the lowest-rated technical approach. In this area, the SSA explained that:

SNC has the lowest rating for the technical subfactor, primarily as a result of the more complex system they proposed and its overall lower level of integrated design maturity. I consider SNC's design to be at the lowest level of maturity, with significantly more technical work and critical design decisions to accomplish. The proposal did not thoroughly address these design challenges and trades. SNC's proposal also has more

schedule uncertainty. [. . .] Although SNC has the longest schedule for completing certification, it also has the most work to accomplish which is likely to further extend its schedule beyond 2017, and is most likely to reach certification and begin service missions later than the other Offerors.

Id. Between Sierra Nevada and SpaceX, the SSA considered that both had high confidence past performance, and very good technical and management approaches, but that Sierra Nevada had proposed a significantly higher price.

Finally, the SSA discussed the Government's intent to award "one or more contracts" under the RFP, and his conclusion that it was in NASA's best interest to award two contracts. The SSA explained that "CCtCap is a very complex human spaceflight development and operational effort, with significant risks," and that "multiple awards maximizes meeting the program objective, provides more options and flexibility for the Agency throughout contract performance, reduces overall risk to the program, and best ensures successfully accomplishing safe, reliable missions to the ISS." Id. at 152660. In the final analysis, the SSA concluded that based on his assessment, the SpaceX and Boeing proposals represented the best value to the government. Id.

NASA made CCtCap awards to SpaceX and Boeing on September 16, 2014. Each offeror requested a debriefing. The SEB met in person with Sierra Nevada on September 19, and with Boeing on September 22. SpaceX's debriefing occurred via teleconference, also on September 22. Sierra Nevada filed this protest with our Office on September 26.

DISCUSSION

Sierra Nevada argues that NASA's award decision improperly emphasized certification in 2017 as a critical evaluation factor, that NASA conducted an insufficient realism analysis concerning SpaceX's price and overall financial resources, conducted a flawed and disparate evaluation under the mission suitability factor, and improperly evaluated the relevance of offerors' past performance. We have considered Sierra Nevada's arguments and, in light of our review of the record, we conclude that they provide no basis for our Office to sustain the protest. Set forth below is a sampling of Sierra Nevada's principle challenges.¹

¹ As stated, we have set forth what we consider to be a representative sample of the allegations presented in Sierra Nevada's protest. We have reviewed each of Sierra Nevada's claims and, to the extent that certain arguments are not presented in this decision, we have concluded that they provide no basis on which our Office would sustain the protest.

Certification Not Later Than 2017

Sierra Nevada first asserts that the agency departed from the RFP's stated evaluation criteria by significantly elevating the RFP "goal" of certification not later than 2017 to a de facto requirement, and critical evaluation factor. According to the protester, the offerors were not advised that the agency's goal would be central to the evaluation and selection decision, and that the agency erred in giving undue weight to certification by the end of 2017.

Sierra Nevada also contends that NASA conducted misleading discussions, insofar as the SEB advised the offerors that they could propose a certification date after 2017, if doing so would result in a more realistic schedule. Sierra Nevada argues that the RFP's characterization of the 2017 timeframe as a goal, and the SEB's statements in discussions, "cannot be reconciled with the SSA's significant, undue emphasis on offerors' achieving this goal." Supplemental Comments at 19.

The evaluation of an offeror's proposal is a matter within the agency's discretion. IPlus, Inc., B-298020, B-298020.2, June 5, 2006, 2006 CPD ¶ 90 at 7, 13. In reviewing an agency's evaluation, our Office will not reevaluate proposals; instead, we will examine the record to ensure that it was reasonable and consistent with the solicitation's stated evaluation criteria and applicable procurement statutes and regulations. Metro Mach. Corp., B-402567, B-402567.2, June 3, 2010, 2010 CPD ¶ 132 at 13; Urban-Meridian Joint Venture, B-287168, B-287168.2, May 7, 2001, 2001 CPD ¶ 91 at 2. An offeror's disagreement with the agency's evaluation is not sufficient to render the evaluation unreasonable. Ben-Mar Enters., Inc., B-295781, Apr. 7, 2005, 2005 CPD ¶ 68 at 7.

We see no error in NASA's consideration of each offeror's likelihood to achieve crew transportation system certification not later than 2017, and conclude that the evaluation was consistent with the explicit terms of the RFP. Contrary to the protester's assertions, the RFP clearly advised offerors that their proposals would be evaluated against the goal of certification by the end of 2017. Thus, consistent with the terms of the RFP, NASA considered the extent to which offerors demonstrated their ability to meet this objective. We also conclude that the SSA's comparative analysis of the offerors' schedules was rational, and that the SEB's comments during discussions were, therefore, not misleading.

First, the RFP synopsis and executive summary both established that the contract was for the purpose of developing "a U.S. commercial crew space transportation capability to achieve safe, reliable and cost effective access to and from the International Space Station (ISS) with a goal of no later than 2017" AR, Tab 4, at 1594, 1604 (emphasis added). The RFP's specifications/statement of work further informed offerors that:

The purpose of the Commercial Crew Program (CCP) is to facilitate the development of a U.S. commercial crew space transportation capability with the goal of achieving safe, reliable and cost effective access to and from low Earth orbit (LEO) including the International Space Station (ISS) no later than 2017.

Id. at 1626.

The proposal preparation instructions required offerors to submit a technical proposal that “describes their technical approach to: (1) certify a Crew Transportation System (CTS) with a goal of NLT 2017,” and “show[s] how they will advance the Design, Development, Test, and Evaluation (DDTE), production and operational aspects of certification through the required Certification Milestone Reviews, which lead to NASA’s certification of the CTS with a goal of NLT 2017.” Id. at 1753. The instructions additionally required the offerors to submit a management proposal “which describes their management approach to: (1) certify a Crew Transportation System (CTS) with a goal of NLT 2017.” Id. at 1757.

The RFP also clearly advised the offerors that their approach to meeting NASA’s goal of certification by the end of 2017 would be considered in the evaluation. Specifically, under the technical subfactor of the mission suitability factor, the RFP established that the agency would consider “[t]he Offeror’s technical approach to obtain NASA certification of a Crew Transportation System (CTS) with a goal of NLT 2017,” and that “[t]he evaluation will consider the Offeror’s approach to meet contract requirements and objectives to achieve NASA certification with a goal of NLT 2017.”² Id. at 1776-77.

Second, we see nothing in the evaluation or selection decision to indicate that NASA improperly elevated this goal to a de facto mandatory solicitation requirement. In this regard, the protester contends that the SSA’s primary emphasis on schedule leaves “little doubt that the SSA would have considered a 2018 completion date disqualifying.” Protester’s Comments at 12. The fact of the matter, however, is that all of the offerors, to include the protester, proposed schedules showing certification by the end of 2017. Accordingly, the protester’s argument, premised on how the agency might have considered a schedule with certification in 2018, is irrelevant. More importantly, the record does not reveal an

² The RFP’s statement of objectives also provided that “[t]he Offeror will establish a comprehensive development plan and approach that encompasses all effort necessary to achieve NASA certification of the CTS. The NASA goal is to grant the NASA certification of the CTS no later than (NLT) 2017.” Id. at 1893.

improper consideration of schedule in the selection decision.³ To the contrary, the selection decision reflects a rational consideration of the various proposal discriminators, including the offerors' proposed schedules, the offerors' likelihood of meeting their own proposed schedules, and a comparison of the offeror's proposed certification dates and relative risk of exceeding those dates, consistent with the RFP's criteria.

In making the selection decision, the SSA concluded that while each offerors' schedule showed compression, the "SpaceX and [Sierra Nevada] schedules are more likely to be subject to greater schedule delays," and that "[Sierra Nevada's] schedule is the most compressed, technically challenged and likely to have the greatest delays." AR, Tab 36, at 152653. Such bases for evaluation and comparison were consistent with the RFP's stated criteria for evaluating the "risk of meeting contract requirements, objectives and schedule." AR, Tab 4, at 1777. In comparison to the other offerors, the SSA concluded that Sierra Nevada's certification schedule was the longest, most uncertain, most compressed, most technically challenged, likely to have the greatest delays, and likely to reach certification and begin service missions later than the other offerors--all without reference to the RFP's goal of certification in the 2017 timeframe. See AR, Tab 36, at 152660.

Although the SSA considered schedule a discriminator between the proposals, we see no basis to conclude that the SSA improperly elevated the significance of schedule in the tradeoff analysis. It is well settled that a single evaluation factor--even a lower-weighted factor--may properly be relied upon as a key discriminator for purposes of a source selection decision. TriWest Healthcare Alliance Corp., B-401652.12, B-401652.13, July 2, 2012, 2012 CPD ¶ 191 at 37. Moreover, the SSA's decision did not solely turn on schedule; rather, the decision was also based on the SSA's conclusion that of the three spacecraft proposed, Sierra Nevada's Dream Chaser was the most complex and had the least mature design, and had significantly more technical work and critical decisions to address. NASA also concluded that Sierra Nevada's proposal did not thoroughly address these challenges. AR, Tab 36, at 152660.

Additionally, the record further reflects that the SSA also compared the proposals under the past performance factor, and found no overall advantage in the Sierra Nevada proposal. Specifically, Boeing's proposal was higher rated than Sierra Nevada's under both non-price factors, and while Sierra Nevada's rating was similar

³ As set forth in our earlier summary of proposals, all three offerors proposed certification during 2017, consistent with the RFP's goal--demonstrating the offerors' understanding that approach to meeting the goal was important to the agency, and an element of the evaluation.

to SpaceX under past performance, SpaceX was higher rated overall in mission suitability and significantly lower priced--both more heavily-weighted evaluation factors than the past performance factor.

In sum, the record demonstrates no improper consideration of schedule by the SSA. Instead, the record shows that the SSA conducted a fulsome analysis of the underlying strengths and weaknesses of the three proposals, highlighting areas in which the SEB and SSA perceived discriminators between the proposed approaches, and concluded that Sierra Nevada's proposal did not represent the best value to the government. Such a comparative analysis is a hallmark of a rational best-value award decision.

Finally, concerning misleading discussions, Sierra Nevada contends that it was misled by the SEB's statements during discussions that offerors could propose a certification date in 2018 if that would result in a more realistic schedule, that 2017 certification was a goal not a requirement, and that price was the most important factor. Sierra Nevada suggests that had it known the undue importance that would be placed on schedule by the SSA, it could have proposed a more expensive, but shorter, certification schedule.

Discussions, when conducted, must be meaningful; that is, they may not mislead offerors and must identify proposal deficiencies and significant weaknesses that could reasonably be addressed in a manner to materially enhance the offeror's potential for receiving award. Lockheed Martin Corp., B-293679 et al., May 27, 2004, 2004 CPD ¶ 115 at 7.

The protester's discussions arguments are based on the fundamentally flawed premise that the agency gave undue importance to its consideration of schedule. As explained above, the agency did no such thing. Rather, the solicitation clearly established schedule as a basis for evaluation. The agency found that Sierra Nevada's proposal had the most schedule risk and risked missing the NLT 2017 goal, and the SSA properly considered this risk in making the selection decision. We have no basis to conclude that the SEB's discussions in this area were misleading.

Price Realism Analysis

Sierra Nevada next asserts that SpaceX proposed an unrealistically low price, and that NASA's realism analysis was insufficient and unreasonable because it failed to recognize this fact. Where a fixed-price contract is contemplated, a proposal's price realism is not ordinarily considered, since a fixed-price contract places the risk and responsibility for contract costs on the contractor. OMV Med., Inc.; Saratoga Med. Ctr., Inc., B-281387 et al., Feb. 3, 1999, 99-1 CPD ¶ 52 at 5. However, an agency may provide for price realism analysis in the solicitation for such purposes as measuring an offeror's understanding of the solicitation requirements, or to avoid

the risk of poor performance from a contractor who is forced to provide services at little or no profit. See The Cube Corp., B-277353, Oct. 2, 1997, 97-2 CPD ¶ 92 at 4; Ameriko, Inc., B-277068, Aug. 29, 1997, 97-2 CPD ¶ 76 at 3. The nature and extent of an agency's price realism analysis are matters within the sound exercise of the agency's discretion. Citywide Managing Servs. of Port Washington, Inc., B-281287.12, B-281287.13, Nov. 15, 2000, 2001 CPD ¶ 6 at 5.

The RFP did not explicitly provide for a price realism analysis in this case. Nonetheless, the protester asserts, and the agency agrees, that two separate provisions of the RFP required the agency to consider price realism. As noted above, under the price factor the RFP provided that:

Relatively low prices will also be evaluated to determine whether there is a risk of default in the event of award to that Offeror. If the Government determines that there is a high risk of default, such a determination may serve as the basis for non-selection.

AR, Tab 4, at 1783. Additionally, under "approach to lifecycle cost management" of the management approach subfactor, the RFP provided that the agency would consider:

The risk to the Government of the Offeror's ability to meet contract requirements and objectives, [. . .] Specifically, the Government will evaluate how the Offeror's level of financial resources prior to payment of any given milestone varies over the contract period of performance as well as how the total level of investment risk affects the risk of contract performance (the magnitude of the investment is not evaluated). The Offeror's evidence of proposed investments to reduce risk of performing contract requirements and objectives as proposed will be evaluated.

Id. at 1781.

NASA's price evaluation is contained within a price analysis report (PAR) completed by the SEB. The PAR shows that the offeror's CLIN prices were as follows:

	Boeing	SpaceX	Sierra Nevada
CLIN 001	\$(DELETED)	\$(DELETED)	\$(DELETED)
CLIN 002	\$(DELETED)	\$(DELETED)	\$(DELETED)
CLIN 003	\$(DELETED)	\$(DELETED)	\$(DELETED)
GFP ⁴	\$(DELETED)	\$(DELETED)	\$(DELETED)
Total	\$3,009,016,464	\$1,753,698,691	\$2,552,271,681

AR, Tab 33, at 151781.

Overall, the SEB concluded that the price variation between the offerors was “consistent with NASA’s experiences with the Space Launch Industry.” Id. at 151782. The SEB noted that Boeing’s and Sierra Nevada’s prices were comparable and more closely correlated at the high end of the price range, which the SEB attributed to “the commonality of both Offerors that proposed to include an Atlas V launch vehicle and the use of two [NASA Docking System] flight units.” Id. The SEB found that SpaceX’s price represented the low end of the range, which the SEB attributed to SpaceX’s distinct approach, including the use of its own Falcon 9 launch vehicle, its development of its own docking system, and its use of existing agreements and contracts to accomplish major development and testing activities. Id.

The PAR also conducted an examination of the three offeror’s prices on a CLIN by CLIN basis, further analyzing the variation between the prices, and the prices in comparison to similar historical efforts. Subsequent to this evaluation, the PAR recorded the SEB’s analysis of relatively low prices. In this area, the SEB explained that SpaceX’s CLIN 001, CLIN 002, and overall prices were considered relatively low, and were therefore evaluated “with regard to risk of default in the event of award.” Id. at 151795.

For CLIN 001, SpaceX’s price was [DELETED] percent lower than the next lowest offeror’s price, and [DELETED] percent lower than NASA’s parametric estimate, which estimated the cost of developing a capsule spacecraft at \$(DELETED) billion, and a winged spacecraft at \$(DELETED) billion.⁵ Id. at 151784. The SEB noted, however, that SpaceX’s approach exceeded certain parameters of the parametric estimate, and that SpaceX had various other cost-structure advantages.

⁴ The RFP allowed offerors to propose the use of government furnished property (GFP). Boeing and Sierra Nevada elected to use GFP--specifically, NASA Docking System units. The cost of these units was included in the offerors’ prices. SpaceX elected to design its own docking system.

⁵ NASA explains that its parametric estimate was based on data derived from its Orbital Space Plane concept model, developed in the early 2000s.

Specifically, the SEB explained that SpaceX's proposal indicated "a more developed design maturity" than was assumed in the estimate, with less work remaining. Id. at 151796. The SEB also noted SpaceX's existing agreements and contracts for development and testing activities, and that SpaceX's Crew Dragon builds upon its currently operating Cargo Dragon capsule and Falcon 9 Launch vehicle, further reducing remaining effort. Id.

With regard to SpaceX's cost structure, the SEB explained that SpaceX utilizes a vertically integrated management structure and performs [DELETED] percent of design and development activities in-house. Id. The SEB concluded that SpaceX's structure reduces subcontractor overhead costs in comparison to typical aerospace companies and the assumptions of the parametric estimate. Additionally, the SEB took into account SpaceX's established history of low Cargo Dragon/Falcon 9 system development costs for ISS cargo missions. Id. In consideration of these factors, the SEB concluded that SpaceX's CLIN 001 price did not represent a high risk of default.

For CLIN 002, SpaceX's price was [DELETED] percent lower than the next-lowest offeror. Id. In this regard, the SEB concluded that SpaceX's use of its own Falcon 9 launch vehicle, rather than the United Launch Alliance's Atlas 5 launch vehicle used by the other offerors, was the primary driver of the price difference. Id. The SEB also noted that SpaceX's prices have been historically lower than other providers for launch services and on this basis concluded that SpaceX's CLIN 002 did not represent a high risk of default.⁶

The SEB also considered the technical evaluation findings, to include the findings in connection with SpaceX's basis of estimate (BOE), which described its understanding of the work, methodology, and assumptions under the contract. Specifically, the technical evaluators concluded that SpaceX's BOE was "appropriate and realistic for the work proposed." Id. at 151797. In sum, although there was a notable price difference between the highest and lowest prices proposed, the SEB considered the difference and concluded that SpaceX's low price did not represent a high risk of default, and that there was "no indication of a lack of resources necessary to enable successful contract performance." Id.

Concerning the financial resources analysis under the management approach subfactor, the record shows that the SEB additionally reviewed the monthly financial

⁶ For example, the SEB considered that under the Cargo Resupply Services contract to resupply the ISS, SpaceX's 2015 price per mission is \$[DELETED], while Orbital Sciences Corporation's price per mission is \$[DELETED]. AR, Tab 33, at 151782. Under another current contract for similar services (NLS II), SpaceX's mission price is [DELETED] percent lower than the next lowest-priced competitor. Id.

outlays required by each offerors' approach, and compared the maximum outlay prior to a milestone payment to the offeror's financial resources. This analysis led the SEB to conclude that "SpaceX's proposal provides details of its cash reserves and available line of credit that minimizes financial risk to meeting contract requirements." AR, Tab 33, at 152378.

Sierra Nevada contends that the above-described analyses were inadequate and unreasonable on several grounds. Concerning the price factor, Sierra Nevada contends that NASA's comparison of SpaceX's price to the other offerors and against the parametric estimate cannot support a price realism determination. Sierra Nevada further dismisses the other factors NASA presented as supporting SpaceX's price realism on the basis that NASA failed to analyze or quantify any actual cost savings of, for example, Space's vertically integrated management structure, in-house manufacturing, or Falcon 9 launch vehicle.

Sierra Nevada's allegations attempt to impose a higher standard for the agency's review of price realism than that set forth by the RFP and applicable regulations, and are therefore without merit. Even under the more rigorous standard applied to cost realism analysis, agencies are not required to conduct an in-depth analysis or verify each and every item to a scientific certainty. L-3 Sys. Co., B-404671.2, B-404671.4, Apr. 8, 2011, 2011 CPD ¶ 93 at 10. Rather, the methodology employed need only be reasonably adequate and provide some measure of confidence that the proposal is realistic in view of the information available to the agency as of the time of its evaluation. See SGT, Inc., B-294722.4, July 28, 2005, 2005 CPD ¶ 151 at 7; Metro Mach. Corp., B-295744, B-295744.2, Apr. 21, 2005, 2005 CPD ¶ 112 at 10-11.

Here, the SEB reasonably evaluated SpaceX's price in comparison to the other offerors prices and the parametric estimate. As reviewed above, NASA concluded that SpaceX's technical maturity exceeded that of the other offerors, and the level anticipated by the parametric estimate, resulting in less work left to accomplish and supporting a lower price. Regarding the agency's consideration of various other aspects of SpaceX's cost structure, the record supports the agency's conclusion that the Falcon 9 launch vehicle was inherently lower-cost than the Atlas 5. See AR, Tab 33, at 151790. Further, documentation in the record shows that the agency considered the cost effects of various management structures, and concluded that vertically integrated management could support cost reduction of up to [DELETED] percent. AR, Tab 11, at 59341. In sum, we think the agency reasonably evaluated SpaceX's price.

Concerning the management approach subfactor, Sierra Nevada alleges that NASA's analysis of SpaceX's financial capability was unreasonable because NASA failed to utilize commonly accepted liquidity measures such as the "quick ratio," and ignored the implications of SpaceX's [DELETED]. On our review of the record, we find nothing inadequate or unreasonable with regard to NASA's financial analysis.

While Sierra Nevada disagrees with NASA's use of a cash flow analysis rather than other commonly utilized measures of liquidity, Sierra Nevada has not shown that the use of a cash flow analysis was unreasonable. Further, the record shows that the SEB was aware that SpaceX's liquid assets included [DELETED], and noted the existence of [DELETED]. AR, Tab 34, at 152432.

In making the above assessments, we note that NASA considered the SEB's analysis of SpaceX's liquidity and financial assets to have been "conservative," because it was premised on [DELETED] rather than [DELETED]. These [DELETED] statements and projections show [DELETED]--even under Sierra Nevada's preferred analyses. Accordingly, we conclude that the record supports NASA's determination that SpaceX has sufficient financial resources to meet contract performance.

Mission Suitability Evaluation

Sierra Nevada alleges that NASA's evaluation of its proposal under the mission suitability factor was flawed, and that NASA routinely engaged in disparate treatment by assigning it fewer strengths, and more weaknesses than the other offerors, despite similar technical approaches. In general, we conclude that Sierra Nevada's challenges to the technical evaluation do not demonstrate a failure to reasonably consider the proposals, but rather disagreement with the conclusions reached by the SEB. A protester's disagreement with an agency's technical conclusions does not provide a basis to sustain a protest. Ben-Mar Enters., Inc., supra. Additionally, Sierra Nevada's allegations of disparate treatment fail because the record shows the differences in the evaluation results were based on unique aspects of the proposals and the offerors' varying levels of success in addressing the agency's concerns.

For example, Sierra Nevada alleges that NASA's assessment of a weakness related to its proposed frangible joint design was unsupported, and unequal to NASA's assessment of Boeing's use of the same type of frangible joint.⁷ Sierra Nevada contends that a reasonable evaluation of its proposal would not have assessed a weakness in this area because the proposal adopted NASA-suggested steps to confirm the original design, and described the development of an alternate design. Sierra Nevada argues that this approach was substantially similar to Boeing's response, which was not assessed a weakness by the agency.

Our review of the record confirms that NASA's assessment of a weakness was not unreasonable, and that Sierra Nevada's and Boeing's responses on this issue were not substantially similar. First, the record shows that the weakness assessed

⁷ A "frangible joint" is a type of pyrotechnic coupling, used to separate the spacecraft from the launch vehicle, or for other purposes.

against Sierra Nevada in this area was not for its proposed technical solutions specifically, but for failing to adequately respond to NASA's feedback from the phase one contract relating to the protester's frangible joint variance request. In this regard, both Sierra Nevada and Boeing were informed during the phase one contract that their frangible joint designs created risk because the designs did not meet fault-tolerance and redundancy requirements of NASA's "Human Rated Pyrotechnic Specifications." Contracting Officer's Statement of Facts at 100. Both offerors sought variances allowing the use of their frangible joint designs.

In its final revised proposal, Boeing explained that its baseline design utilized a flight-proven, high-reliability, [DELETED] frangible joint system." AR, Tab 32, at 148060. However, based on NASA's feedback from the phase one contract, Boeing also proposed to modify existing specifications to include [DELETED]. Specifically, Boeing proposed to [DELETED]. Id. at 148060-61. Additionally, Boeing proposed a specific alternative approach, and a single scheduled decision point on the final design. NASA concluded that this proposal revision fully mitigated Boeing's weakness for frangible joint risk. Id.

Sierra Nevada, in its final revised proposal, explained that:

To demonstrate confidence in the [frangible joint] design, a specification has been developed to describe the qualification approach. This specification defines a [specific frangible joint] design with extensive flight heritage.

AR, Tab 30, at 140098. The proposal also provided that "[t]o mitigate certification and schedule risk associated with the baseline design, a formal fallback plan has been developed." Id. The proposal then described three separate alternative approaches that were being "considered for implementation in the fallback design plan." Id. at 140098-99. NASA reviewed this proposal and concluded that Sierra Nevada's weakness was not fully resolved, because high-level decision points were unclear and inconsistent, and because the fallback design was unclear.

On this record we cannot find that NASA's assessment of a weakness against Sierra Nevada's proposal was unsupported, or that NASA treated the Sierra Nevada and Boeing proposals unequally. Rather, the record reflects that Sierra Nevada proposed a less thorough and less defined approach to mitigating the risks presented by its proposed design, and that its approach was not substantially similar to the well-defined approach set forth in the Boeing proposal.

In one further example, Sierra Nevada challenges NASA's evaluation of SpaceX's proposed approach to EEE parts. In this regard, SpaceX's proposal requested a [DELETED]. In its final revised proposal, SpaceX described a [DELETED].

The SEB considered SpaceX's responses, but concluded that residual risks remained. For example, concerning [DELETED], the SEB concluded that the proposed [DELETED] was "[DELETED]." AR, Tab 33, at 151465. Ultimately, the SEB determined that SpaceX's response to NASA's concerns was incomplete, and would impact NASA's ability to [DELETED]. *Id.* at 151466. The SEB therefore assessed a weakness for SpaceX's response to feedback on its EEE approach. In the SSD, the SSA reviewed the weakness and specifically noted that he "had more significant concerns than the SEB did about the weakness," but did not elevate the finding to a significant weakness. AR, Tab 36, at 152645.

Sierra Nevada asserts that SpaceX's proposed approach to EEE parts was "novel," if not "radical," and that "NASA understood many dimensions of the risk." Protester's Supplemental Comments at 104. Sierra Nevada contends that given the risks understood by NASA, it was contrary to the RFP and unreasonable to treat this issue as a mere weakness, rather than a significant weakness or deficiency. Sierra Nevada also asserts that the agency's evaluation was unequal and unreasonable because the risks associated with its own proposal, such as the frangible joint, were less significant than SpaceX's EEE risk.

We conclude that Sierra Nevada's allegations are essentially disagreement with the agency's well-considered determinations concerning risk. Specifically, Sierra Nevada's protest does not contend that NASA failed to identify shortcomings in SpaceX's proposal, but rather acknowledges that NASA did identify shortcomings in the proposal and disagrees with NASA's conclusions regarding the importance of those identified weaknesses and risks. Concerning EEE parts, Sierra Nevada concedes that NASA understood the risks presented by SpaceX's proposal, but urges our Office to second-guess NASA's conclusion that this risk presented a weakness, rather than a significant weakness or deficiency.

As set forth above, in reviewing an agency's evaluation, our Office will not reevaluate proposals; instead, we will examine the record to ensure that it was reasonable and consistent with the solicitation's stated evaluation criteria and applicable procurement statutes and regulations. Metro Mach. Corp., B-402567, B-402567.2, June 3, 2010, 2010 CPD ¶ 132 at 13; Urban-Meridian Joint Venture, B-287168, B-287168.2, May 7, 2001, 2001 CPD ¶ 91 at 2. On our review of the record here, we see no error in the agency's analysis.

Further, Sierra Nevada's claim that NASA's evaluation of its frangible joint, main propulsion system, or abort testing, was unequal to the evaluation of SpaceX's EEE parts, is unavailing. The fact that the offerors received disparate evaluation results

does not reflect disparate treatment, or an unequal evaluation, where the offerors proposed widely varying approaches to addressing the agency's goals.⁸

Past Performance Relevance Evaluation

Finally, Sierra Nevada alleges that NASA failed to evaluate the relevance of the offerors' past performance references in accordance with the criteria set forth in the RFP. In this regard, Sierra Nevada contends that the evaluation was inconsistent with the RFP provisions setting forth the comparative degree of relevance of past performance in three space systems areas--crewed systems, crew transportation systems development, and services to the ISS. Specifically, the RFP provided that:

Contracts and/or agreements that include content and complexities similar to the CCtCap contract will be considered more relevant. Relevant work includes contracts and agreements for space system development and mission services. Past performance related to crewed space system development is considered more relevant than past performance related to un-crewed space system development. Past performance related to the design and development of a [crew transportation system] is considered more relevant than past performance that is limited to an element of a [crew transportation system]. Past performance related to space system development and mission services to the International Space Station, including integration, is considered more relevant than past performance limited to space system development and mission services not to the International Space Station.

AR, Tab 4, at 1784. Based on this language, Sierra Nevada asserts that the RFP required NASA to evaluate each past performance reference against each of the three specified areas, giving each area relatively equal weight and balancing the reference's relevance in each of the three areas to reach a final relevance rating.

For example, Sierra Nevada argues that two of SpaceX's references--the Commercial Orbital Transportation Services and Commercial Resupply Services

⁸ Sierra Nevada presents similar arguments concerning NASA's evaluation of schedule risk, system maturity, and inherent capabilities, among other technical areas. We have reviewed these allegations and conclude that, as explained in our discussion of Sierra Nevada's challenges to the evaluation of its frangible joint and SpaceX's EEE parts, the protest grounds represent disagreement with the agency's evaluation conclusions, and do not provide a basis for our Office to sustain the protest.

contracts were highly relevant for only services to the ISS. According to Sierra Nevada, because these references failed to demonstrate high relevance in two of the three areas identified by the RFP--crewed systems and crew transportation systems development--it was unreasonable for NASA to assign these SpaceX references the highest relevance rating.

The evaluation of an offeror's past performance, including the agency's determination of the relevance and scope of an offeror's performance history, is a matter of agency discretion, which we will not find improper unless it is inconsistent with the solicitation's evaluation criteria. National Beef Packing Co., B-296534, Sept. 1, 2005, 2005 CPD ¶ 168 at 4; see MFM Lamey Group, LLC, B-402377, Mar. 25, 2010, 2010 CPD ¶ 81 at 10. The evaluation of experience and past performance, by its very nature, is subjective; we will not substitute our judgment for reasonably based evaluation ratings, and an offeror's mere disagreement with an agency's evaluation judgments does not demonstrate that those judgments are unreasonable. Glenn Def. Marine-Asia PTE, Ltd., B-402687.6, B-402687.7, Oct. 13, 2011, 2012 CPD ¶ 3 at 7.

Here, the protester's arguments are without a basis. Simply, the RFP did not preclude NASA from assigning the highest relevance rating to contracts involving only one of the three space systems areas--crewed systems, crew transportation systems development, and services to the ISS. Rather, the solicitation generally provided that the agency would consider contracts "similar to the CCtCap contract" to be more relevant and defined relevant work to include "contracts and agreements for space system development and mission services." AR, Tab 4, at 1784. To the extent the RFP further defined the relevance of the three areas of work noted above, this merely informed offerors of how the agency would weight relevance concerning various types of space systems work related to the CCtCap effort.

In evaluating SpaceX's past performance, NASA concluded that SpaceX's past performance on the Commercial Orbital Transportation Services and Commercial Resupply Services contracts was very highly relevant because the contracts were "very similar in content and complexity" to the CCtCap contract. AR, Tab 33, at 151587-88. Specifically, the contracts included the development of an entire integrated space system including a spacecraft and launch vehicle for transportation of supplies to and from the ISS, meeting ISS visiting vehicle and Federal Aviation Administration licensing requirements. Id. NASA concluded that these contracts warranted the highest relevance rating given their very similar content and complexity, and the RFP provision establishing that "space system development and mission services to the International Space Station, including integration, is considered more relevant." AR, Tab 4, at 1784. Where the record reflects that NASA considered the size, content, and complexity of each offeror's prior efforts, giving reasonable effect to relevance weighting for the three mission areas cited by the RFP, we have no basis to find NASA's past performance evaluation unreasonable or inconsistent with the terms of the RFP.

CONCLUSION

In sum, our review of Sierra Nevada's challenges and the underlying evaluation record in this case provides no basis on which our Office would sustain the protest. In our view, the SEB reports and SSD demonstrate an evaluation of schedule and the agency's 2017 goal consistent with the plain terms of the RFP. The agency's evaluation of the realism of SpaceX's low price, and its available financial resources, was similarly consistent with the terms of the RFP. Finally, our review of the record shows that the agency's evaluation under the mission suitability and past performance evaluation factors was reasonable, and did not reflect unequal treatment of the proposals.

The protest is denied.

Susan A. Poling
General Counsel