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## Decision

**Matter of:** CACI, Inc.-Federal; Booz Allen Hamilton, Inc.

**File:** B-413028; B-413028.2; B-413028.3

**Date:** August 3, 2016

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Colleen A. Eagan, Esq., Mark B. Grebel, Esq., and Daniel C. McIntosh, Esq., Department of Defense, Defense Information Systems Agency, for the agency.  
Heather Weiner, Esq., and Edward Goldstein, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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### DIGEST

1. Challenge to solicitation's cost/price evaluation scheme is sustained where the solicitation anticipates the issuance of cost-reimbursable task orders, but does not require offerors to propose cost-reimbursable labor rates for the services being procured, thereby precluding the agency from meaningfully evaluating the proposals' cost to the government.
  2. Protests that solicitation's cost/price evaluation improperly provides for eliminating proposals based on the application of a lowest acceptable average for establishing the lowest acceptable average labor rates are sustained where the agency's methodology for comparing labor rates is without a reasonable basis.
  3. Protests that technical evaluation factor improperly fails to cover all of the work specified in the performance work statement (PWS) are denied where the agency has articulated a reasonable basis for limiting its evaluation to a subset of the performance areas set forth under the PWS.
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### DECISION

CACI Inc.-Federal, of Chantilly, Virginia, and Booz Allen Hamilton, Inc., of McLean, Virginia, protest the terms of request for proposals (RFP) No. HC1028-15-R-0030, issued by the Department of Defense (DOD), Defense Information Systems Agency

(DISA) for global information technology (IT) services. The protesters argue that the solicitation's price/cost evaluation scheme is flawed, and that the technical/management evaluation factor improperly covers only a small portion of the work specified in the performance work statement (PWS). The protesters also challenge the agency's decision to award contracts using a lowest-priced, technically acceptable source selection process.

We sustain the protests.

## BACKGROUND

The solicitation, issued on March 2, 2016 and referred to as "Encore III," anticipates the award of two separate suites of multiple indefinite-delivery/indefinite-quantity (IDIQ) contracts, one resulting from full-and-open competition, and the other, set aside for small-business concerns. RFP at 122. For the full-and-open suite, which is the subject of this protest, the government intends to award up to 20 contracts, each with a 5-year base period, and one, 5-year option period. Id. at 13.<sup>1</sup> According to the RFP, anticipated task orders will be issued on both a fixed-price and cost-reimbursement basis. Id. at 13-14.

The RFP seeks the provision of technical solutions for DOD in support of its migration to an integrated and interoperable DOD information network as well as other agencies having similar IT migration and integration needs. Id. at 13. Encore III is a follow-on to Encore II, and represents an ongoing evolution of DISA's Defense Enterprise Information Services (DEIS) I and DEIS II contracts. Id. at 13. The RFP seeks IT solutions, including the following 19 performance areas specified in the RFP's PWS: enterprise IT policy and planning; integrated solutions management; process, performance and strategic benchmarking; business process reengineering; requirements analysis; market research and prototyping; information and knowledge management; custom application development; product integration; test and evaluation; asset management; network support; cyber security assessment and authorization; information communication technology; computer, telephony integration; web services; operations support; IT support services; and cloud professional services. Id. at 17-18. The RFP establishes a maximum total value of \$17.5 billion for all orders placed under the awarded contracts (for both suites). Id. at 14. Awards will be made using a lowest-priced, technically-acceptable source selection process, with technical acceptability evaluated under the following two non-price factors: technical/management and past performance. Id. at 142-45.

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<sup>1</sup> References herein to the RFP are to the version conformed through amendment No. 4.

As relevant here, the technical/management factor is comprised of seven subfactors: (1) requirements analysis; (2) custom application development; (3) product integration; (4) test and evaluation; (5) operations support--configuration control; (6) operations support--DOD IT/software system; and (7) enterprise IT policy and planning. Id. at 143-44. The solicitation provides that evaluation of an offeror's technical/management proposal "will be based on the offeror's experience," which "means all proposal responses to the technical/management subfactors . . . must be based on the offeror[s] actual past experiences." Id. at 122. The RFP also explains that, for the technical/management subfactors, an offeror may use its own experience or that of joint venture partners to satisfy the RFP's requirements for recent and relevant experience. Id. at 142. To be considered for award, a proposal must receive a rating of acceptable under all technical/management subfactors. Id. at 144.

The solicitation anticipates the award of both fixed-price and cost-reimbursement task orders for IT solutions among base IDIQ contract holders. RFP at 14. The RFP also includes separate contract line item numbers (CLINs) for fixed-price task orders and cost-reimbursement task orders. Although the labor categories for the fixed-price and cost-reimbursement task orders are identical, the solicitation requires that offerors submit only fixed-priced labor rates for fixed-price task orders. Id. Specifically the RFP advises that labor rates for fixed-priced task orders "represent the offeror's proposed fully-burdened hourly labor rates" and that these rates "will be used as ceiling labor rates for pricing of all labor proposed under future fixed price task orders issued under this IDIQ contract." Id.

With regard to cost/price, the solicitation provides that the agency will evaluate an offeror's price proposal "based on the total evaluated price for the five year base period, five 1 year option periods, and the 6 month option to extend." Id. at 147. The RFP further provides that the cost/price team will "calculate a total proposed price for each offeror by applying the Government estimated labor hours for each year of contract performance to each offeror's proposed fully burdened labor rates for each labor category and both site locations," and that the "estimated labor hours used for evaluation purposes will not be provided to the offerors until after award." Id. The RFP also provides that pricing will be evaluated for completeness, reasonableness and unbalanced pricing. Id. at 147-48.

The solicitation also explains that, after determining total proposed prices, the agency will calculate a "trimmed" average total proposed price of all offerors as follows:

[T]he Cost/Price team will first organize all complete proposals by the total proposed price from lowest to highest in each suite. For the purposes of calculating the trimmed average total proposed price, the Government will exclude the offerors whose total proposed price is in the highest 10 percent of all offerors and those whose total proposed

price is in the lowest 10 percent of all offerors. For example, if 35 proposals are received and determined complete, the 4 offerors (rounded) with the highest total proposed price and the 4 offerors with the lowest total proposed price will be removed ONLY for the purpose of the calculation of the trimmed average. A trimmed average will then be calculated using the remaining proposal prices.

Id. at 138.

After calculating the trimmed average, the RFP advises that the agency will eliminate from consideration any offeror's proposal with a total proposed price that is "50 percent above or 50 percent below the trimmed average total proposed price for each suite." Id. at 139. Specifically, "[t]hese proposals will not be evaluated for technical accepta[bility], will not be considered in any competitive range, and will not be considered at time of award." Id. The proposals that remain after application of the trimmed average, will be organized by total proposed price from lowest to highest for each suite, and up to 20 of the lowest-priced proposals for each suite will be evaluated in accordance with the minimum qualifications checklist and the RFP's evaluation factors. Id.

To be clear, the information and evaluation noted above is with respect to the fixed labor rate information solicited. No cost information is solicited for purpose of making the awards.

Prior to the closing time for receipt of proposals, CACI and BAH timely filed these protests.

## DISCUSSION

CACI and BAH challenge the terms of the solicitation on three main bases. First, the protesters challenge the RFP's price/cost evaluation scheme, arguing that it precludes the agency from meaningfully evaluating the proposals' cost to the government and conflicts with the solicitation's lowest-priced, technically-acceptable source selection process. Second, the protesters challenge the technical/management evaluation factor, asserting that it improperly covers only a small portion of the work specified in the PWS. Third, the protesters challenge the decision of the agency to make award on the basis of the lowest-priced, technically-acceptable proposals, rather than on the basis of a price/cost-technical tradeoff. For the reasons discussed below, we find that the RFP's contemplated price/cost evaluation fails to provide DISA with a meaningful basis on which to

evaluate cost to the government and sustain the protests on this basis. We deny the remaining grounds of protest.<sup>2</sup>

#### Cost/Price Evaluation Factor

CACI argues that the cost/price evaluation scheme is flawed because it fails to consider the cost of performance of the cost-reimbursable work contemplated by the government. In addition, CACI and BAH both contend that the evaluation scheme is flawed because it arbitrarily mandates the elimination of certain

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<sup>2</sup> We note that although our decision does not specifically address all of CACI's and BAH's arguments, we have fully considered each of them, and with regard to the allegations not addressed herein, find that none provide a basis to sustain the protest. For example, CACI argues that the RFP's cost/price evaluation scheme is defective because it does not disclose the labor hours that the agency will use to calculate each offeror's total proposed price, which the protester contends violates the agency's obligation to provide reasonable estimates to allow offerors to compete intelligently and on a fair and equal basis. The agency responds that it reasonably did not disclose the labor hours in the RFP because it wanted competitive rates for each labor category identified in the solicitation, and did not want offerors assuming the agency had a preference for certain labor categories. As a general rule, agencies must provide sufficient detail in a solicitation to enable offerors to compete intelligently and on a relatively equal basis. Glenn Defense Marine-Asia PTE, Ltd. B-402687.4, B-402687.5, Nov. 19, 2010, 2010 CPD ¶ 277 at 5. Based on our review, we conclude that the RFP provides sufficient information for offerors to prepare intelligent proposals on an equal basis. The RFP provides detailed descriptions for each of the 116 labor categories for which offerors are required to submit labor rates. RFP, attach. G2, Labor Category Descriptions, at 1-32. As an example, for the task order project manager, the description describes the types of tasks that the task order project manager will perform, and provides that this individual must have a Bachelor of Arts/Bachelor of Science degree, in a technical or managerial discipline, and a Project Management Professional (PMP) certification, with at least 10 years of experience. Id. Although the protester contends that it could propose discounted rates through volume utilization if it knew the estimated hours for each labor category, we find reasonable the agency's explanation that not disclosing the labor hours to be used in the price evaluation will mitigate the risk that offerors may inflate or unbalance their offered price. See id. There is no requirement that an agency eliminate all risk from a solicitation; to the contrary, an agency may provide for a competition that imposes maximum risks on the contractor and minimum burdens on the agency, provided the solicitation contains sufficient information for offerors to compete intelligently and on equal terms. CW Gov't Travel, Inc.-Recon.; CW Gov't Travel, Inc., et al., B-295530.2 et al., July 25, 2005, 2005 CPD ¶ 139 at 4-5. On this record, we find no basis to sustain the protest.

proposals based on the application of a trimmed average comparison. For the reasons discussed below, we find that the cost/price evaluation scheme is flawed, and sustain the protest on these two bases.

Regarding the first argument, the protesters contend that the cost/price evaluation factor is flawed because it does not provide a basis to evaluate offerors' costs to perform the contemplated cost-reimbursable task orders and therefore fails to allow for a meaningful evaluation of the proposals' cost to the government.

As discussed above, the solicitation anticipates the award of both fixed-price and cost-reimbursement CLINs, and provides that the agency anticipates the award of both fixed-price and cost-reimbursement task orders among base IDIQ contract holders. RFP at 14, 136. Specifically, the solicitation includes 116 labor categories, which are the same for both the fixed-price and the cost-reimbursement CLINs. RFP, attach. G2, Labor Category Descriptions, at 1-32. For purposes of evaluating and award, the solicitation requires that offerors propose a fully-burdened, fixed-priced labor rate for each of the 116 labor categories, which the solicitation specifies will be capped throughout the life of the contract. RFP at 14. The solicitation explains that the proposed labor rates will be evaluated by the application of an undisclosed labor hour estimate.

As noted above, the solicitation does not require, however, that offerors propose cost-reimbursable labor rates for each of the 116 labor categories, or contemplate the evaluation of any such rates for purposes of award. RFP at 14, 132; Pricing Matrix. The solicitation also does not request any information regarding the break-out of cost components such as direct labor, indirect labor, overhead, and/or general and administrative expenses to be evaluated. Id.

DISA does not dispute that the agency anticipates issuing a significant number of cost-reimbursement task orders under the Encore III contracts. In this regard, CACI has represented that more than half of the task orders issued under Encore II were issued on a cost-reimbursement basis. CACI Protest at 6; CACI's Comments at 2. Rather, the agency argues that a cost evaluation will be performed when the agency competes each cost-reimbursable task order, and therefore no such evaluation is required at this stage of the competition. AR at 3, 38-40.

Cost or price to the government must be included in every RFP as an evaluation factor, and agencies must consider cost or price to the government in evaluating competitive proposals. 10 U.S.C. § 2303(a)(3)(A)(ii); Federal Acquisition Regulation (FAR) § 15-304(c)(1). In the context of awarding an IDIQ contract, the evaluation of cost or price often is difficult because of uncertainty regarding what ultimately will be procured. See CW Gov't Travel, supra. Agencies have developed a variety of methods or strategies to address this difficulty, including the use of estimates for the various quantities of labor categories or units to be purchased under the contract, see Creative Info. Tech., Inc., B-293073.10, Mar. 16, 2005, 2005

CPD ¶ 110 at 3; the use of sample tasks, FC Bus. Sys., Inc., B-278730, Mar. 6, 1998, 98-2 CPD ¶ 9 at 3-5; hypothetical or notional plans that are representative of what requirements are anticipated during contract performance, Aalco Forwarding, Inc., et al., B-277241.15, Mar. 11, 1998, 98-1 CPD ¶ 87 at 11; and hypothetical pricing scenarios reflecting various cost or price eventualities. PWC Logistics Servs., Inc., B-299820, B-299820.3, Aug. 14, 2007, 2007 CPD ¶ 162 at 11-15. Underlying each of these methods is the central objective of evaluating the relative total cost or price of competing proposals in order to provide the agency's source selection authority a meaningful understanding of the cost or price implications of making award to one or another concern. It is axiomatic that the agency's price evaluation method must produce results that are not misleading. Aalco Forwarding, Inc., supra.

Here, we conclude that DISA's evaluation methodology fails to provide a reasonable basis to compare the cost of competing proposals. The record reflects that the RFP contemplates awarding cost-reimbursement CLINs, and that a significant number of task orders issued are likely to be issued on a cost-reimbursement basis. The agency, however, has simply decided to ignore these significant costs.<sup>3</sup> Although the agency is correct that the solicitation provides for a cost realism assessment of the IDIQ contract holders' differing proposed costs when individual cost-reimbursable task orders are competed, see RFP at 66, that competition will not include firms whose proposals are not selected for an umbrella contract in the competition at issue in this protest. As noted above, the RFP anticipates that the agency will award only 20 IDIQ contracts for the full-and-open suite. RFP at 13. We have expressly held that the statutory requirement for considering cost to the government when evaluating and selecting proposals for award is not satisfied by the promise to later consider cost or price when awarding individual task orders. S.J. Thomas Co., Inc., B-283192, Oct. 20, 1999, 99-2 CPD ¶ 73 at 3; The MIL Corp., B-294836, Dec. 30, 2004, 2005 CPD ¶ 29 at 9-10. Accordingly, the agency cannot eliminate a proposal from consideration for award of an IDIQ contract without taking into account the relative cost of that proposal to the government. SCIENTECH, Inc., B-277805, B-277805.2, Jan. 20, 1998, 98-1 CPD ¶ 33 at 7-8.

Moreover, the agency's reliance on two GAO cases as support for its position that an evaluation of cost reimbursable work items is not required when awarding the umbrella IDIQ contract so long as such costs will be evaluated at the task order level is misplaced. Specifically, the agency first cites Decisive Analytics Corp.,

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<sup>3</sup> Although the agency speculates that requesting offerors to provide cost reimbursement labor rates "would not provide any additional meaningful comparison among offerors because an offeror's [cost reimbursement] labor rates would be relatively in line with [fixed price] labor rates for the exact same labor categories," AR at 39, n.5, the agency cites to nothing in the record as support for this statement.

B-410950.2, B-410950.3, June 22, 2015, 2015 CPD ¶ 187, which unlike the solicitation here, required offerors to propose fixed-price and cost-reimbursable rates for labor categories using pricing worksheets with prepopulated notional labor hours and calculated a total evaluated cost/price based on both the fixed-price and cost-reimbursable labor rates.<sup>4</sup> Id. at 3. Although the Decisive Analytics solicitation did not provide for the evaluation of cost realism at the time the umbrella IDIQ contracts were awarded, we concluded that the agency's price evaluation, which considered both fixed-price and cost-reimbursable labor rates, provided for a reasonable assessment of the cost of performance under the competing proposals. Id. at 11. In contrast, the solicitation here does not request, and does not anticipate, considering the cost-reimbursement rates for these contracts.<sup>5</sup>

In the second case cited by the agency, Advanced Commc'n. Cabling, Inc. B-410898.2, Mar. 25, 2015, 2015 CPD ¶ 113, we found that the agency's price evaluation scheme provided a reasonable basis on which to consider the comparative cost to the government of the offerors' proposals because, although the solicitation did not provide for consideration of the cost of anticipated cost-reimbursable task orders, the record reflected that only a "de minimus" number of task orders would be issued on a cost reimbursement basis. Id. at 8, n.6. In sum, while an agency generally has considerable flexibility in fashioning the precise method for evaluating cost or price, where, as here, the solicitation does not seek any information for, or provide for the evaluation of, a segment of orders that may represent half of the agency's requirement, it fails to provide an adequate basis to compare the relative cost to the government of the competing proposals. We sustain the protest on this basis.<sup>6</sup>

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<sup>4</sup> We note that under the terms of the RFP, the offerors' proposed labor rates were capped throughout the life of the contract. Decisive Analytics Corp., supra, at 4, n.6, 10.

<sup>5</sup> In addition, Decisive Analytics involved a post-award protest challenging the agency's evaluation of the offerors' proposals, rather than a pre-award challenge to the terms of the solicitation, as in this case. Id. at 1.

<sup>6</sup> In its protest, BAH also asserts that "the RFP effectively requires offerors to propose uncompensated overtime," however, the solicitation does not provide the agency with a reasonable method for evaluating the risk of an offeror's use of uncompensated overtime as contemplated by FAR clause 52.237-10 (Identification of Uncompensated Overtime). See BAH Protest at 23. According to BAH, the government should require all offerors to propose based on a 40-hour work week. Id. at 24. We note that BAH's assertion regarding uncompensated overtime is based, in part, on the application of the solicitation's trimmed average total proposed price methodology. See BAH Protest at 21. Because, as discussed above, we conclude that the solicitation's current price/cost evaluation scheme fails to provide DISA with an adequate basis to compare the relative cost to the

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Next, CACI and BAH argue that the solicitation's cost/price evaluation scheme is flawed because it arbitrarily mandates the elimination of an offeror's proposal if the offeror's total proposed price is 50 percent below a trimmed average total. Aside from being arbitrary, the protesters maintain that the provision is at odds with the RFP's LPTA source selection process.

As noted above, the RFP provides the following explanation regarding how the agency will compare proposals after calculating the trimmed average total proposed price:

Once the trimmed average total proposed price is calculated, the Government will eliminate from consideration those offeror's proposals, if any, whose total proposed price is 50 percent above or 50 percent below the trimmed average total proposed price for each suite. Those proposals will not be evaluated for technical acceptance, will not be considered in any competitive range, and will not be considered at time of award.

RFP at 139.

The agency argues that the purpose of the trimmed average comparison is "to evaluate whether any price proposals are so low that they present unacceptable risk."<sup>7</sup> AR at 37; Tab 17, Initial Price Analysis Memorandum For Record (MFR), at 1. In addition, the agency contends that the trimmed average comparison is reasonable because it "represents the [a]gency's use of sound business judgment to prevent risk to the Government." AR at 37. The agency further explains that "its determination to eliminate proposals that are 50% less than the trimmed average was based on historical data from Encore II," and that the agency "determined that any such proposal posed an unacceptable risk to the Government." Id. at 39.

The record reflects that in deciding to reject proposals with a total proposed price more than 50 percent higher or lower than the trimmed average total proposed

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government of the competing proposals, and we therefore recommend that the agency revise the solicitation to provide for a reasonable evaluation, we need not address this issue at this time.

<sup>7</sup> The agency also points out that as it proceeded with its evaluation, neither of these protesters will be prejudiced by this evaluation approach because neither of their proposals were eliminated as a result of the trimmed average comparison (and in fact, that none of the proposals were eliminated as a result of the trimmed average comparison). We find no merit to this argument. The harm resulting from having to compete under a defective solicitation establishes the necessary prejudice for the subject protests.

price, the agency utilized labor rates from the predecessor Encore II procurement. AR at 37; Tab 17, Initial Price Analysis MFR, at 2. Specifically, the agency used historical labor rates from Encore II contract holders to develop “an average total price, minimum total price, and maximum total price.” Id. In this regard, the agency “calculated an average total price of \$[DELETED] by applying the average labor rate for each labor category . . . from all Encore II contractors to the estimated hours to be used for evaluation under Encore III.” Id. Then, the agency calculated “a minimum total price of \$[DELETED] by applying the lowest labor rate for each labor category . . . from all Encore II contractors to the estimated hours to be used for evaluation under Encore III.” Id. Finally, the agency calculated “a maximum total price of \$[DELETED] by applying the highest labor rate for each labor category . . . from all Encore III contractors to the estimated hours to be used for evaluation under Encore III.” Id.

The agency found “[t]he percentage difference between the average total price and the minimum total price [to be] approximately [DELETED],” and “the percentage difference between the average and the maximum total price [to be] approximately [DELETED],” resulting in “an overall difference between the minimum and maximum prices of approximately [DELETED].” Then, “[u]tilizing this methodology[,] the Government determined that a 50 percent range from the trimmed average total price represents a reasonable range of risk for the initial price analysis on the Encore III source selection.” Id.

Based on our review of the record, we conclude that the agency has failed to adequately justify its rationale for excluding from the competition any proposals with a total proposed price that is 50 percent below the trimmed average total proposed price. First, DISA’s determination to use 50 percent as the floor established for eliminating proposals was based on historical data and labor rates from the predecessor Encore II procurement; however, the Encore II procurement was conducted on a price/cost-technical trade-off basis, while the basis for award under the current solicitation, is lowest-priced, technically-acceptable. See BAH Comments, exh. 1, Encore II RFP, amend. 18, at 42. This “apples to oranges comparison” does not provide a reasonable baseline for assessing price. The record includes no indication that the agency, in calculating the 50 percent range, considered the impact that this difference would have on the labor rates submitted under the two procurements. Without this consideration, we do not find reasonable, the agency’s determination that a “greater than 50 percent difference from the trimmed average represent[s] unacceptable risk to the Government,” and should be rejected from the competition. AR, Tab 17 Initial Price Analysis MFR, at 2.

Second, there is no indication in the record that the agency’s establishment of the 50 percent floor is in any way linked to a risk in contract performance, or for example, that the agency noted a decrease in performance once the Encore II labor rates dropped below a particular level. Id. at 1. While we certainly agree with DISA that agencies enjoy broad discretion when establishing their bases for evaluation,

their selected evaluation method must have some rational basis. Aalco Forwarding, Inc., supra. Here, the record is devoid of any basis to conclude that the 50 percent price floor established by the agency for the mechanical elimination of proposals reflects a point at which there is a particularly high performance risk to the government. Rather, the 50 percent floor seems to be entirely arbitrary in selection and application. In this regard, the agency has been unable to articulate, or otherwise provide evidence to support, a conclusion regarding how risk increases to an unacceptable level when an offeror's total proposed price is 50 percent below the trimmed average. Accordingly, we conclude that the price/cost evaluation method is flawed in this respect, and sustain the protest on this basis.<sup>8</sup>

#### Technical/Management Evaluation Factor

CACI and BAH challenge the technical/management evaluation factor, arguing that it improperly covers only six out of the nineteen performance areas specified in the PWS. DISA argues that the evaluation criteria reasonably relate to the agency's needs in choosing a contractor that will best serve the government's interests. As discussed below, we find that the agency has articulated a reasonable basis for limiting its evaluation to six of the PWS performance areas.

The determination of a contracting agency's needs and the best method of accommodating them are matters primarily within the agency's discretion. Crewzers Fire Crew Transp., Inc., B-402530, B-402530.2, May 17, 2010, 2010 CPD ¶ 117 at 3.

As previously discussed, the solicitation's PWS sets forth the Encore III scope of work in nineteen different performance areas. PWS at 21-42. Under the technical/management evaluation factor, the solicitation provides for the evaluation of six of the nineteen PWS performance areas under seven subfactors. RFP at 143-44.

The record reflects that the agency conducted market research by issuing a sources sought announcement, dated August 27, 2014. AR, Tab 14, Performance Areas Memorandum For Record (MRF), at 1. The agency found that [DELETED] large businesses identified in the market research indicated they [DELETED] of the PWS scope of work. Id.; CACI AR at 44. Based on the results of the market research, as well as on [DELETED], the agency selected the six PWS performance areas that

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<sup>8</sup> BAH also argues that this price/cost evaluation scheme, which contemplates evaluating whether prices are too low, conflicts with a Question and Answer (Q&A) response, in which the agency advised that "[a] price realism analysis is not mandated by the FAR or the RFP for fixed price efforts." BAH Comments at 8. To the extent the agency believes a price realism analysis is required, it should address any conflicting clauses or statements in the solicitation.

represented the “core workload of the DISA mission.” Id. The agency’s expectation was that “if the contractors could perform 6 of the more challenging [performance areas], then the Government would feel confident they could perform the others.” Id.

Similarly, for the small-business set-aside suite, the agency selected four of the other PWS performance areas to evaluate, so that the agency would be evaluating 10 performance areas across both suites. Id. The agency explained that “[t]he two evaluations done under this suite of contracts will cover almost half of the performance areas in this contract over-all.” Id. at 2. The agency further explained: “The full and open vehicle is focused on areas that will take larger levels of effort and more in depth experience and expertise.” Id. The agency noted that “[t]hese align with various points in the lifecycle of a major program office, from requirements gathering to application development, into product integration, test and evaluation and finally operational support for the software.” Id. For the small-business set-aside suite, the agency explained that it “selected the performance areas . . . to be ones that could be targeted, narrowly focused specialty niches of a small business (integrated solutions, security engineering, IT support services, asset management) to ensure that all Encore III vendors will be capable of high quality contract and personnel management.” Id.

Based on our review of the record, we find that the agency’s rationale for limiting its evaluation to the six chosen performance areas for the full-and-open suite is reasonable. Although the protesters raise various arguments as to why the technical/management criteria should evaluate all nineteen of the PWS performance areas, all of the protesters’ arguments reflect disagreement with the evaluation criteria which, without more, is insufficient to render the criteria unreasonable. See Cryo Techs., B-406003, Jan. 18, 2012, 2012 CPD ¶ 29 at 2; (disagreement with the agency’s judgment concerning the agency’s needs and how to accommodate them does not show that the agency’s judgment is unreasonable).

#### Lowest-Priced, Technically-Acceptable Source Selection Scheme

Finally, CACI and BAH argue that DISA should have issued the solicitation with award based on a price/cost-technical trade-off basis, rather than on the basis of the lowest-priced, technically-acceptable (LPTA) proposals. The protesters contend that a LPTA approach is not suitable for this procurement because it is inconsistent with historical practices under the Encore II contract, which was conducted on a price/cost-technical trade-off basis. The protesters also assert that a LPTA approach is unreasonable because it is inconsistent with DOD guidance which advises that “LPTA is the appropriate source selection process to apply when the product or service has well-defined requirements.” For the reasons discussed below, we see no basis to object to the agency’s decision to use a lowest-price, technically-acceptable selection scheme.

Agency acquisition officials have broad discretion in the selection of the evaluation criteria that will be used in an acquisition, and we will not object to a particular method as long as the method used reasonably relates to the agency's needs in choosing a contractor that will best serve the government's interests. Crewzers Fire Crew Transp., Inc., *supra*, at 2.

Based on our review of the record, we conclude that the agency reasonably determined that it could meet its needs using a LPTA approach to the source selection. Here, the record reflects that the agency documented its rationale for selecting the LPTA approach in an acquisition statement, acquisition plan, and memorandum for record. Specifically, the agency determined that the LPTA approach was best for this procurement because the ENCORE program is a "mature program with a substantial commercial application." AR, Tab 4, Acquisition Statement, at 12. In this regard, the agency explained that, "DISA has been successfully procuring the same type of [IT] service requirements as those anticipated under ENCORE III for over two decades," and that "[b]ecause ENCORE is a mature program with a substantial commercial application, and the scope of the PWS does not contain Objective or Threshold values (nothing to trade off), the Government has chosen to conduct the source selection on a [b]est [v]alue LPTA basis . . . ." AR, Tab 9, MFR LPTA, at 1. In addition, the agency explained that there were "no known costs, capability/performance, or schedule trade-offs applicable to this acquisition at the contract level." AR, Tab 6a, Acquisition Plan, at 10. Although the protesters disagree with the agency's conclusion that an LPTA approach to source selection would best meet the government's needs, that disagreement does not demonstrate that the conclusion is unreasonable. Accordingly, this protest ground is denied.

## RECOMMENDATION

As discussed above, it is clear from the record that the RFP does not provide a meaningful basis to consider offerors' proposed costs to the government. Accordingly, we recommend that the agency amend the solicitation consistent with our decision. We further recommend that the protesters be reimbursed the costs of filing and pursuing their respective protests, including reasonable attorneys' fees. The protesters should submit their certified claims for costs, detailing the time expended and costs incurred, directly to the contracting agency within 60 days after receipt of this decision. 4 C.F.R. § 21.8(f)(1).

The protests are sustained.

Susan A. Poling  
General Counsel