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Decision

Matter of: SRA International, Inc.; NTT DATA Services Federal Government, Inc.

File: B-413220.4; B-413220.5; B-413220.7; B-413220.8; B-413220.9

Date: May 19, 2017

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DIGEST

1. Protests challenging the evaluation of protesters' technical quotations are denied where the evaluations were reasonable and consistent with the solicitation. Where protester's quotation was reasonably deemed technically unacceptable under one evaluation factor, protester cannot establish prejudice with respect to alleged evaluation errors under remaining factors.
2. Protest arguing that the agency failed to conduct equal and meaningful discussions is denied where the record reflects that the agency did not enter into discussions with any vendors; exchanges with the protester and an awardee were clarifications.
3. Protest challenging the agency's award decisions is denied where award to a vendor that submitted less advantageous labor rates was not inconsistent with solicitation's best-value award scheme under which technical superiority is more important than price.

4. Protester is not an interested party to challenge the evaluation of awardees' quotations where it was reasonably deemed technically unacceptable and other intervening vendors submitted acceptable quotations and would be next in line for award.

DECISION

SRA International, Inc., of Falls Church, Virginia, and NTT DATA Services Federal Government, Inc., the successor in interest to Dell Services Federal Government, Inc. (DSFG), of Herndon, Virginia,¹ protest the establishment of blanket purchase agreements (BPAs) with six vendors pursuant to request for quotations (RFQ) No. NRC-HQ-10-16-R-0005, which was issued by the U.S. Nuclear Regulatory Commission (NRC) for a broad range of information technology (IT) and professional services solutions.² SRA protests the evaluation of its quotation under two of the non-price evaluation factors. DSFG objects to the evaluation of its quotation under all of the evaluation factors and contends the agency erred by not conducting equal and meaningful discussions. Both protesters also challenge aspects of the evaluation of certain awardees' quotations and the agency's source selection award decision.

We deny the protests in part and dismiss the protests in part.

BACKGROUND

NRC issued the RFQ on April 6, 2016, under the General Services Administration (GSA) Federal Supply Schedule (FSS) procedures set forth in Federal Acquisition Regulation (FAR) subpart 8.4. The RFQ sought quotations from vendors holding schedule 70 contracts for IT professional services. RFQ at 14.³ NRC intended to

¹ NTT DATA acquired DSFG in November 2016, about a month after DSFG submitted a quotation in response to the solicitation at issue. DSFG Protest at 1 n.1. For consistency with the underlying evaluation record, we primarily refer to the protester as DSFG in this decision. Moreover, as the full successor in interest to DSFG, NTT DATA qualifies as an interested party to pursue its protest. See generally Lockheed Martin Aeronautics Co., et al., B-295401 et al., Feb. 24, 2005, 2005 CPD ¶ 41 at 5 n.8 (protester is an interested party to pursue protest where it is the complete successor in interest to the business entity that submitted a proposal under the solicitation at issue); McNeil Techs., Inc., B-254909, Jan. 25, 1994, 94-1 CPD ¶ 40 at 3-5 (finding a successor in interest to be an interested party).

² NRC established BPAs with the following six vendors: ActioNet, Inc.; CGI Federal Inc. and teaming partner MCP Computer Products, Inc.; G2SF, Inc. (a small business awardee); Lockheed Martin Corporation's Information Systems and Global Solutions (LMIS&GS) business segment; Synaptex Corporation and teaming partner Edgewater Federal Solutions, Inc. (a small business awardee); and Vistrionix LLC.

³ The agency amended the solicitation seven times during this procurement. Amendment 4 reflects a conformed version of the RFQ, which we cite to herein. In
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establish at least two BPAs, including one with a small business. Id. The BPAs were to have a 6-year period of performance, including a 3-year base period, and the agency intended to issue BPA calls on a time-and-materials, labor-hour, or fixed-price basis. Id. at 14, 94. The combined estimated value of the BPAs was \$679 million over all 6 years. Id. at 16.

The procurement, which is referred to as the Global Infrastructure and Development Acquisition (GLINDA), contemplated a wide range of IT infrastructure and application maintenance and operations services to support all NRC program areas and locations. Id. at 20, Statement of Work (SOW) ¶¶ C.3, C.4. The RFQ's statement of work delineated GLINDA tasks in four broad service areas: seat services, network services, data center/cloud services, and application operations and maintenance (O&M) services.⁴ Id. at 21, SOW ¶ C.5.1.

The solicitation provided that the agency would establish BPAs with the vendors that submitted the quotations deemed "most advantageous" to NRC, considering price and other factors.⁵ Id. at 167. In determining best value, the RFQ identified the following four non-price evaluation factors, listed in descending order of importance: (1) technical understanding and competency; (2) innovation and demonstration through past experience; (3) past performance; and (4) management approach and key personnel. Id. at 168. The non-price factors were significantly more important than price. Id.

With respect to the technical understanding and competency factor, the RFQ instructed vendors to demonstrate their technical understanding, concept of operations, inclusion of industry leading practices, and mechanisms for ensuring regulatory compliance across the four service areas identified in the SOW. Id. at 160. Among other things, vendors were to describe how they would accomplish the SOW tasks in order to deliver quality products and services to NRC. Id. Vendors were also instructed to submit a quality control plan. Id. at 161. Under this factor, the RFQ provided that the agency would evaluate the extent to which the vendor's quotation demonstrated a technical

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addition, where applicable, we rely on the agency's page numbering format used in its agency reports, which differs slightly from the page numbers on the original source documents.

⁴ More specifically, seat services referred to user-oriented IT needs, including hardware, software, mobile desktop, help desk, and security. RFQ at 21, SOW ¶ C.5.1. Network services encompassed, for example, architecture for the agency's networks, telephony, and conferencing. Id. Data center/cloud services involved public cloud services, local data centers, server visualization, and security, among other needs. Id. Application O&M services included ongoing support for commercial and custom applications and platforms. Id.

⁵ The RFQ also included a go/no-go evaluation factor regarding minimum certification/appraisal requirements. RFQ at 167.

understanding of the SOW. Id. at 168. NRC would also assess the soundness of the vendor's approach to deliver quality products and services, and the vendor's capacity to effectively implement the proposed level of process maturity across the scope of BPA requirements. Id.

Next, with respect to the management approach and key personnel factor, the RFQ instructed vendors to submit a management plan that described the capabilities and attributes of the vendor's approach for managing the delivery of services in response to the SOW. Id. at 164. At a minimum, vendors were to describe their strategies for program and project/task management, staff recruitment and retention, and the nature and frequency of relevant training. Id. The RFQ also identified numerous elements that a vendor's management plan was to address, such as its approach to managing a "widely dispersed team operating under multiple BPA [c]alls," its approach to "deliver IT services within a large infrastructure made up of multiple vendors," its proposed management structure, its risk management approach, and its approach to recruiting, hiring, and retaining qualified personnel. Id.

With regard to key personnel, the RFQ identified the program manager and deputy program manager as key. Id. at 154; see also id. at 42, SOW ¶ C.5.3.2 (requiring the key personnel to possess demonstrated experience in the different skill sets required and functions to be performed). Vendors were to submit resumes for the proposed program manager and deputy program manager that described the individuals' qualifications and capabilities, including education, certifications, and relevant project, service, and/or contract experience. Id. at 165. Under this factor, the RFQ also provided that the agency would evaluate the soundness of the vendor's proposed management approach, as well as the qualifications and experience of the proposed key personnel. Id. at 169.

Lastly, with respect to price, the RFQ instructed vendors to propose labor rates for each of the 124 labor categories identified in the SOW, delineated by performance year, as well as for place of performance (i.e., government site or contractor site). Id. at 165; see also id. at 43-93, SOW ¶¶ C.6.1-C.6.124 (labor categories). Thus, each vendor was to propose 1,488 labor rates using a template provided as an attachment to the RFQ. See id., attach. 3, GLINDA Labor Category and Labor Rate Template. The proposed rates would become the maximum allowable ceiling on labor rates when submitting future price quotations in response to BPA call requests. Id. at 15. The RFQ contemplated further price reductions on an individual basis as BPA calls are issued. Id.

In addition, vendors were to provide a copy of their GSA schedule 70 contract and map their schedule contract labor categories and rates to the proposed GLINDA labor categories and rates. Id. at 160, 165. Proposed rates could not exceed the rates contained in the vendor's schedule contract, and NRC requested that vendors offer discounts from schedule contract rates. Id. at 14, 165.

The solicitation provided that NRC would evaluate each vendor's hourly rates for all labor categories to determine "most advantageous pricing." Id. at 169. However, given that there was no actual price of performance at the BPA level, the RFQ advised that NRC would not apply hours to the labor categories to derive a total evaluation price. Id.; see DSFG Contracting Officer's Statement of Facts (COSF) at 18. Instead, the agency committed to creating a statistically "realistic price range" for each labor category based on the mean of the rates proposed by the competing vendors. RFQ at 169. Individual rates more than one deviation above the mean for a particular rate would be considered too high and less advantageous to NRC; individual rates more than two deviations below the mean would be considered too low and less advantageous to NRC. Id. So, the agency would evaluate price quotations by determining what percentage of each vendor's labor rates fell within the pre-determined range. Quotations with a higher percentage of rates in the range would be considered more advantageous to NRC than quotations with a lower percentage of rates in the range.⁶ See id.; see also DSFG Agency Report (AR), Tab 42, Final Price Evaluation Memo., at 8-9.

The RFQ noted that "formal discussions" were not applicable because the procurement was not being conducted pursuant to FAR part 15. RFQ at 167. In this regard, the solicitation "highly encouraged" vendors to submit their best technical and price quotations in their original submission. Id. Notably, the RFQ warned that a vendor could be "eliminated from further consideration if its technical and/or pricing quotes are not considered most advantageous to the Government." Id.

The agency received quotations from 23 vendors prior to the RFQ's September 26 submission deadline.⁷ SRA COSF at 4. A source evaluation panel (SEP) reviewed technical quotations and prepared a written report documenting its evaluation findings. SRA AR, Tab 23, Source Selection Plan, at 7; see, e.g., Tab 28, SEP Technical Evaluation Report - SRA, at 1-20. For each factor, the SEP assigned the quotations color ratings of purple, blue, green, yellow, or red, with purple being the most favorable rating and red the least favorable rating.⁸ SRA AR, Tab 23, Source Selection Plan, at 20. The SEP evaluated SRA's, DSFG's, and the awardees' quotations as follows:

⁶ In addition, NRC would evaluate price quotations for completeness, accuracy, price realism, and financial status. RFQ at 169.

⁷ Quotations were initially due June 6. RFQ at 156. Amendment 7, which removed a second go/no-go evaluation factor following a vendor's earlier bid protest at GAO, established a new solicitation closing date of September 26; vendors that had already submitted a quotation were permitted to submit revised quotations. RFQ, amend. 7, at 1-3.

⁸ Under the rating scheme, a purple rating reflected a quotation that demonstrated an excellent understanding of the requirements and a new or proven approach that significantly exceeded performance or capability standards, among other positive attributes. SRA AR, Tab 23, Source Selection Plan, at 20. A purple rating was reserved for when there was a high probability of meeting the requirements with little or
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	Factor 1 - Technical Understanding	Factor 2 - Past Experience	Factor 3 - Past Performance	Factor 4 - Management Approach/Key Personnel	Price⁹
ActionNet	Blue	Blue	Green	Blue	96%
CGI	Green	Green	Green	Green	85%
G2SF	Blue	Green	Green	Blue	40%
Lockheed Martin¹⁰	Green	Blue	Blue	Blue	98%
Synaptex	Blue	Green	Blue	Green	90%
Vistrionix	Green	Blue	Green	Green	99%
SRA	Yellow	Green	Green	Green	91%
DSFG	Yellow	Yellow	Green	Red	87%

SRA AR, Tab 31, Award Decision, at 3-6; DSFG AR, Tab 43, Award Decision, at 3-6.

In assigning the above ratings, the SEP identified quotation strengths, weaknesses, significant weaknesses, and risks under each factor. For instance, in rating SRA's quotation yellow under the first factor, the SEP identified two strengths, nine weaknesses, and three areas of risk with the quotation. SRA AR, Tab 28, SEP Technical Evaluation Report - SRA, at 3-4. In rating DSFG's quotation red under the management approach/key personnel factor, the SEP identified a single strength, weaknesses with at least 11 areas of the quotation, three significant weaknesses, and

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no risk to the government. Id. At the other end of the rating spectrum, a red rating reflected a quotation that demonstrated a lack of understanding of the requirements, and an approach that failed to meet performance or capability standards, among other negative attributes. Id. A red rating was reserved for when the quotation proposed an unacceptable risk and could not meet the requirements without major revisions. Id.

⁹ Price is reflected as the percentage of proposed rates that fell within NRC's pre-determined range, rounded to the nearest percent.

¹⁰ A month prior to the final quotation submission deadline, the Lockheed Martin business segment proposed for performance--LMIS&GS--was acquired by Leidos Holdings, Inc. Except where necessary for clarification, our decision refers to this awardee as Lockheed Martin or LMIS&GS.

two areas of risk with the quotation. DSFG AR, Tab 39, SEP Technical Evaluation Report - DSFG, at 15-17.

Ultimately, the SEP recommended that NRC establish BPAs with six vendors, each of which submitted a quotation that was rated green or better under the non-price factors. DSFG AR, Tab 41, SEP Technical Recommendation, at 2. The SEP deemed another 11 vendors, including DSFG, “technically unacceptable” for award because their quotations demonstrated a lack of understanding of the requirements and their approach failed to meet performance or capability standards, which resulted in a red rating in one of the factors. Id. The remaining six vendors, including SRA, reflected a higher performance risk and were not recommended for award. SRA AR, Tab 29, SEP Technical Recommendation, at 2-3.

The source selection authority (SSA) thereafter “carefully reviewed” the SEP’s findings and the price evaluation memorandum. DSFG AR, Tab 43, Award Decision, at 3. She agreed with the assessments and scores assigned by the SEP, including the SEP’s conclusion that 11 vendors--including DSFG--submitted technically unacceptable quotations. Id. at 3-4. She further concluded that the potential price advantage offered by SRA’s quotation did not outweigh the increased risk associated with the vendor’s lower-rated technical quotation. SRA AR, Tab 31, Award Decision, at 9. Ultimately, the SSA agreed that the six most highly rated quotations were the most advantageous to the government; according to the SSA, any pricing risk could be mitigated at the BPA call level. Id. at 9.

After receiving brief explanations of award, SRA and DSFG protested to our Office.¹¹

DISCUSSION

SRA protests the evaluation of its quotation under the technical understanding and competency factor, as well as under the management approach and key personnel factor. SRA also objects to NRC’s award decisions. DSFG challenges nearly every aspect of the evaluation of its quotation, as well as alleges numerous flaws relating to the evaluation of several of the awardee’s quotations. DSFG also argues that the agency entered into discussions, but failed to conduct discussions that were equal or meaningful.¹²

¹¹ Two additional vendors protested the awards as well, but those protests were subsequently withdrawn.

¹² Various DSFG protest arguments were affirmatively withdrawn (e.g., DSFG Comments/2nd Supp. Protest at 1 n.1, withdrawing an organizational conflict of interest allegation); effectively abandoned due to DSFG’s failure to discuss the allegation in subsequent pleadings (e.g., DSFG Protest at 59, alleging that CGI did not employ one of its proposed key personnel); or previously dismissed as legally insufficient (see GAO Email to Parties, Mar. 8, 2017, 3:43 p.m., at 1, dismissing as legally insufficient DSFG’s allegation that NRC conducted unequal discussions by way of a solicitation

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As outlined below, we find reasonable the agency's evaluation of SRA's quotation. We also conclude that the award decision withstands scrutiny. With respect to DSFG's protest grounds, we conclude that the agency's communications with vendors were not formal discussions and that the evaluators reasonably found that DSFG's quotation was technically unacceptable. Due to the unacceptable rating, DSFG was not prejudiced by other alleged evaluation improprieties and does not qualify as an interested party to challenge the BPA awardees.¹³

ISSUES RAISED BY SRA

Technical Understanding and Competency Factor

The SEP assigned SRA's quotation a yellow rating under the technical understanding and competency factor. In assigning this rating, the evaluators identified two strengths, nine weaknesses, and three areas of risk under the four evaluation elements assessed under the factor. SRA AR, Tab 28, SEP Technical Evaluation Report - SRA, at 3-4. In its various pleadings, SRA challenges each of these weaknesses, alleging that they were the result of either the SEP's failure to consider information in the quotation or the SEP's consideration of unstated evaluation criteria.

Where, as here, an agency issues an RFQ to FSS vendors under FAR subpart 8.4 and conducts a competition for the issuance of an order or establishment of a BPA, we will review the record to ensure that the agency's evaluation was reasonable and consistent with the terms of the solicitation and applicable procurement laws and regulations. Digital Solutions, Inc., B-402067, Jan. 12, 2010, 2010 CPD ¶ 26 at 3-4; DEI Consulting, B-401258, July 13, 2009, 2009 CPD ¶ 151 at 2. A protester's disagreement with the agency's judgment, without more, does not establish that an evaluation was unreasonable. Technology and Telecomms. Consultants, Inc., B-413301, B-413301.2, Sept. 28, 2016, 2016 CPD ¶ 276 at 4.

By way of example, the SEP cited as a weakness SRA's failure to "clearly articulate[] how they will provide all required SEAT services at a detailed enough level to demonstrate technical understanding, e.g., print output services; and mail, file, and print services." Id. at 3. In response, SRA points to the portions of its quotation that discussed print output services, as well as mail, file, and print management services, and argues that the solicitation did not require any additional details beyond what was

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amendment). As a result, these protest grounds were not further considered by our Office.

¹³ To the extent we do not address certain arguments or variations of arguments presented during the course of the protest, we have considered all of the allegations and find that none provides a basis for sustaining the protest.

provided. SRA Comments/Supp. Protest at 12-13, quoting SRA AR, Tab 18, Technical Quotation - SRA, at 19.

With respect to the print-related services specifically, the record reflects that SRA's approach relied on the use of its [DELETED]. See SRA AR, Tab 18, Technical Quotation - SRA, at 19. However, as noted in a separate weakness, the evaluators concluded that SRA's [DELETED] were "not adequately articulated." SRA AR, Tab 28, SEP Technical Evaluation Report - SRA, at 4. We agree with the agency that while SRA highlighted its [DELETED]--referring to them as "efficient" and "effective"--it did not explain how the [DELETED] would efficiently or effectively provide the required print services. See SRA AR, Tab 18, Technical Quotation - SRA, at 19; SRA Supp. Memorandum of Law (MOL) at 10. The record further supports the agency's position that although SRA committed to delivering the required services and relying on its team's expertise, the vendor did not explain how it would actually accomplish its goals.

Moreover, the print services mentioned in the weakness, and zeroed in on by SRA, were mere examples of the seat services required under the SOW. In this respect, the SOW included a non-exhaustive list of several services required under the seat service area, including, for instance, equipment and software licenses, hardware and software provisioning/de-provisioning, and help desk support. RFQ at 23, SOW ¶ C.5.1.1.2. While the SEP identified examples of certain seat services in the weakness, the actual critique was that SRA did not clearly articulate how it would provide all required seat services, a conclusion we find unobjectionable. SRA AR, Tab 28, SEP Technical Evaluation Report - SRA, at 3.

As another example, the SEP assigned a weakness based on SRA's discussion of the network service area. Specifically, the evaluators criticized that this part of SRA's quotation did "not demonstrate a technical understanding of how to manage all required services on a day-to-day basis, e.g. operational management of the voice and data networks; and operator and teleconferencing management services."¹⁴ Id. SRA rejects the SEP's assessment, arguing that its quotation established its technical understanding of these requirements and shows experience in the relevant areas.

¹⁴ Similar weaknesses were assessed based on SRA's responses to the data center/cloud and application O&M service areas. See SRA AR, Tab 28, SEP Technical Evaluation Report - SRA, at 3. With respect to data center/cloud services, SRA mischaracterizes the assessment of a weakness as resulting from the lack of a heading for the relevant section in the quotation; the record demonstrates otherwise. See SRA Comments/Supp. Protest at 15-16. With respect to application O&M services, SRA asserts that the weakness was based on unstated evaluation criteria. We disagree, and conclude that the concerns identified in the SEP's report were reasonably related to or encompassed by the stated evaluation criteria. See Information Experts, Inc., B-413887, B-413887.2, Dec. 30, 2016, 2017 CPD ¶ 16 at 7.

In this regard, while the record shows that SRA's quotation confirmed that SRA would manage network services and highlighted "an array of proven technical and programmatic expertise," we agree with the agency that the quotation did not explain on a technical level how SRA would actually perform. See SRA AR, Tab 18, Technical Quotation - SRA, at 22. As pointed out by the agency, the quotation failed to discuss [DELETED].¹⁵ SRA Supp. MOL at 12.

While SRA maintains that its explanation was sufficient, the agency concluded otherwise. In a competitive FSS procurement, it is the vendor's burden to submit a quotation or proposal that is adequately written and establishes the merits of the quotation or proposal. Nittany Bus. Movers, Inc., B-411856, Oct. 27, 2015, 2015 CPD ¶ 327 at 2-3. Indeed, a number of the weaknesses stem from SRA's failure to adequately discuss or explain certain aspects of the vendor's technical quotation. Ultimately, the protester's disagreement with the evaluators' judgments does not demonstrate an improper evaluation.

In addition to concluding that the protested weaknesses were reasonable, we also find no merit to SRA's argument that the yellow rating was erroneous because the evaluators deemed certain identified weaknesses as "minor" or "minor to moderate" risks to the agency that could "likely be mitigated." See SRA AR, Tab 28, SEP Technical Evaluation Report - SRA, at 4. SRA's selective focus on certain evaluation findings does not withstand scrutiny.¹⁶ Here, the factor rating was based on the totality of the evaluators' findings, which included concerns that spanned all four SOW service areas. See SRA Supp. MOL at 5. Moreover, while the SEP characterized the risks associated with certain weaknesses as minor, it highlighted that the majority of weaknesses resulted in "moderate to high risk" during performance that "would require

¹⁵ SRA repeatedly contends that we should give little weight to most of the agency's justifications and explanations of the evaluation findings, posited in response to the protest arguments. SRA asserts that NRC's post-protest defenses are not supported by the contemporaneous record. See, e.g., SRA Supp. Comments at 8-10, citing Celta Servs., Inc., B-411835, B-411835.2, Nov. 2, 2015, 2015 CPD ¶ 362. Based on our review of the record, we disagree. We will consider post-protest explanations that, as here, provide a detailed rationale for contemporaneous conclusions, and simply fill in previously unrecorded details. In reviewing such explanations, we consider whether the explanations are credible and consistent with the contemporaneous record. NWT, Inc.; PharmChem Labs., Inc., B-280988, B-280988.2, Dec. 17, 1998, 98-2 CPD ¶ 158 at 16.

¹⁶ SRA repeatedly mischaracterizes the evaluation record, asserting without support that the "only reason" SRA was assigned a yellow rating was due to six of the weaknesses, seemingly disregarding the remaining weaknesses and risks. See SRA Comments/Supp. Protest at 11; Supp. Comments at 5, 7. Regardless, the assignment of ratings should not be based upon a simple count of strengths and weaknesses, but on a qualitative assessment of the quotations, consistent with the evaluation scheme. Amyx, Inc., B-410623, B-410623.2, Jan. 16, 2015, 2015 CPD ¶ 45 at 11.

close government monitoring.” SRA AR, Tab 28, SEP Technical Evaluation Report - SRA, at 3. On this record, we disagree with SRA that the minor risks should have skewed the evaluation upward.

Next, SRA points to several aspects of its quotation that it argues should have been evaluated as strengths under the factor. See SRA Comments/Supp. Protest at 23-27. The agency responds that it considered these elements of the quotation, and the evaluators simply did not view them as strengths. In this respect, agencies are not required to assign strengths for aspects of quotations that merely meet the requirements of the solicitation. See Building Operations Support Servs., LLC, B-407711, B-407711.2, Jan. 28, 2013, 2013 CPD ¶ 56 at 6. Moreover, it is not our Office’s role to independently reevaluate quotations and assign strengths where the agency did not. See Sapient Gov’t Servs., Inc., B-410636, Jan. 20, 2015, 2015 CPD ¶ 47 at 3. Accordingly, SRA’s complaints in this regard reflect nothing more than its disagreement with the SEP’s judgment, and provide no basis to sustain the protest. See STG, Inc., B-405101.3 et al., Jan. 12, 2012, 2012 CPD ¶ 48 at 7 (a protester’s disagreement with an agency’s judgment is not sufficient to establish that an agency acted unreasonably).

We also find unpersuasive SRA’s general contention that the evaluation record reflects a material inconsistency, given that the SEP rated the quotation yellow under the factor while not identifying any significant weaknesses, yet the SEP assigned a green rating under the management approach factor while identifying two significant weaknesses.¹⁷ See SRA Comments/Supp. Protest at 8; Supp. Comments at 7. In this regard, first we highlight that the SEP identified only two strengths under technical understanding factor, whereas four strengths were documented under the management approach factor. In addition, as the agency explains, not all weaknesses were “created equal or [had] the same impact on successful performance.” SRA COSF at 7. We agree with the agency that SRA is oversimplifying the color rating scheme by focusing only on significant weaknesses and levels of risk.

In sum, based on our review of the record, we find unobjectionable the agency’s conclusion that SRA’s quotation “lacked technical details and response to fulfill all of the requirements in each of the service areas.” See SRA COSF at 7. We also find reasonable the agency’s determination that the magnitude of the individual strengths did not off-set the subsequent implications of the multiple weaknesses. Thus, SRA has not demonstrated that the evaluation of its quotation under the technical understanding factor was flawed.

¹⁷ To the extent SRA’s allegations are based on the premise that the evaluators’ conclusions were inconsistent with the source selection plan’s description of a yellow rating, such complaint is unavailing. See SRA Comments/Supp. Protest at 6-8. In this regard, source selection plans provide internal agency guidelines and, as such, do not give outside parties any rights. Epsilon Sys. Solutions, Inc., B-409720, B-409720.2, July 21, 2014, 2014 CPD ¶ 230 at 7.

Management Approach and Key Personnel

In rating SRA's quotation green under the management approach and key personnel factor, the SEP identified four strengths, four weaknesses, two significant weaknesses, and two areas of risk.¹⁸ SRA AR, Tab 28, SEP Technical Evaluation Report - SRA, at 19-20. SRA objects to all of the weaknesses and significant weaknesses and argues that its quotation merited a blue rating under the factor.

By way of example, the SEP assessed a significant weakness because SRA failed to "detail the nature and frequency of relevant training for staff[,] [o]nly mentions training in passing in the context of [DELETED]." Id. at 19. This significant weakness led to a "moderate performance risk." Id. at 20.

Here, the RFQ expressly required that vendors describe the nature and frequency of relevant training. RFQ at 164. In its discussion of retaining qualified staff, SRA noted that it takes a "[DELETED]." SRA AR, Tab 18, Technical Quotation - SRA, at 111. The remainder of SRA's management plan--to be assessed under the factor--did not include a separate section discussing training, nor did it describe the nature and frequency of relevant training, as required by the RFQ.¹⁹ Given the omission, we find reasonable the significant weakness.

The second significant weakness focused on the key personnel element of the factor. The SEP concluded that SRA's proposed program manager (PM) had "very narrow experience, mainly supporting [DELETED]. This covers only one GLINDA service area." SRA AR, Tab 28, SEP Technical Evaluation Report - SRA, at 20. SRA argues that the agency "grossly understates the PM's experience." SRA Comments/Supp. Protest at 33.

Pointing to several examples, the agency demonstrates that the PM's resume supports the evaluators' conclusion that the candidate's experience has been centered on [DELETED] work. See SRA Supp. MOL at 25. In this regard, most of the candidate's

¹⁸ The SEP report identified five weaknesses, but the agency concedes that one of the weaknesses, which the SEP classified as a "low performance risk," was an error. See SRA MOL at 28-29.

¹⁹ In response to the significant weakness, SRA points to other random parts of its nearly 250-page technical quotation that discuss training in one context or another. SRA Comments/Supp. Protest at 29-30. The agency was not required to piece together general statements and disparate parts of the protester's quotation to determine the protester's intent. See Federated IT, Inc., B-410208, Nov. 18, 2014, 2014 CPD ¶ 353 at 6 n.3. Rather, it was SRA's responsibility to submit an adequately written management plan. See id. Regardless, the quoted excerpts provide only a limited discussion of the nature of training and do not describe the frequency of training; the excerpts do not establish that the significant weakness was unfounded.

cited work on predecessor NRC contracts was focused on [DELETED]. While SRA responds by highlighting individual tasks performed by the PM that span other service areas, the protester has not demonstrated an error in the evaluators' assessment that the candidate's experience was narrow. Ultimately, although the protester believes that its proposed PM warranted a strength, the evaluators concluded otherwise.

In our view, the agency's evaluation of SRA's quotation under the management approach and key personnel factor was reasonable. SRA's disagreement with the agency's supported judgments does not demonstrate an improper evaluation. See DEI Consulting, supra.

Award Decision

Lastly, SRA protests NRC's award decision. The protester contends that the SSA's decision is inadequately supported and based on a mechanical focus on the color ratings. SRA also objects to the award to G2SF, specifically.

Where, as here, a procurement conducted pursuant to FAR subpart 8.4 provides for the establishment of a BPA on a best-value tradeoff basis, it is the function of the source selection authority to perform a price/technical tradeoff, that is, to determine whether one quotation's technical superiority is worth its higher price. See VariQ Corp., B-409114 et al., Jan. 27, 2014, 2014 CPD ¶ 58 at 8. An agency may properly select a more highly rated quotation over one offering a lower price where it has reasonably determined that the technical superiority outweighs the price difference. Recogniti, LLP, B-410658, Jan. 21, 2015, 2015 CPD ¶ 49 at 6. The agency's decision is governed only by the test of rationality and consistency with the solicitation's stated evaluation scheme. PeoplePower LLC, B-409396, Apr. 2, 2014, 2014 CPD ¶ 118 at 5. Moreover, under the minimum documentation requirements of FAR subpart 8.4, documentation of the source selection rationale may be limited, but it must be sufficient to show a reasonable basis for any tradeoffs. FAR § 8.405-3(a)(7); see Information Experts, Inc., supra, at 9.

We conclude that the SSA's award decision withstands scrutiny. The SSA detailed the process used in making her source selection. She explained that the SEP and the price evaluators provided her their consensus reports and recommendations in late January 2017. SRA AR, Tab 31, Award Decision, at 3. The SSA noted that based on her observations, "the integrity of the [evaluation] process was very high." Id. She explained that she "carefully reviewed the evaluation documentation" and found that the materials contained "sufficient information for [the SSA] to make a sound, supportable, professional, business judgment with respect to which offerors will receive the awards." Id. The SSA agreed with the assessments and scores assigned by the SEP. Id.

In her award decision, she highlighted the color ratings assigned to each of the 23 competing vendors under the four non-price factors, as well as included a table that showed the comparative price advantage of the quotations. First, the SSA identified a group of quotations--which included DSFG's--that posed an unacceptable risk. Id. at 4.

The SSA concurred with the SEP's recommendation that these vendors should not be considered for a BPA award, even though some of them quoted advantageous pricing. Id. at 7. At the other end of the spectrum, the SSA concluded that three vendors-- Lockheed, Vistronix, and ActioNet--submitted quotations that were among the most highly rated with the most advantageous pricing; thus, no tradeoff was needed for these quotations. Id. The SSA also provided a rationale for tradeoffs for the remaining three vendors selected for BPAs--Synaptex Corporation, CGI Federal, and, as discussed below, G2SF.²⁰

The SSA also discussed the quotations submitted by the six remaining vendors, including SRA. She noted that these six vendors provided quotations that in one or more of the technical factors "demonstrated a limited understanding of the requirements and only marginally met performance or capability standards necessary for minimal contract performance." Id. at 4. With respect to SRA specifically, she acknowledged that the vendor submitted "very advantageous pricing" and was fully acceptable under three of the non-price factors; however, SRA's quotation was lower-rated under the technical understanding/competency factor--the most important evaluation factor. Id. at 9. The SSA then emphasized that SRA's quotation "had several weaknesses under that factor, which created moderate to high risk in their performance of SEAT, network, data center/cloud, and application O&M services." Id. In conclusion, the SSA found that the potential price advantage offered by SRA did not outweigh the increased risk associated with the protester's lower-rated technical quotation, and that the vendor's quotation was therefore not among the most advantageous to the agency. Id.

Here, we find unobjectionable the SSA's determinations regarding SRA's quotation. As noted above, the SSA "carefully" reviewed the evaluation reports and agreed with the SEP's assessments and ratings. Id. at 3. The record shows that she looked beyond the ratings, acknowledging that strengths were assigned, but ultimately focusing on the weaknesses under the technical understanding factor. The SSA highlighted that SRA's weaknesses covered each of the SOW's service areas. While the SSA's tradeoff rationale with respect to SRA is only minimally explained, there is no need for extensive documentation of every consideration factored into a tradeoff decision. See Scaletta Armoring, B-412302, Jan. 14, 2016, 2016 CPD ¶ 22 at 6. Rather, the documentation need only be sufficient to establish that the agency was aware of the relative merits and costs of the competing proposals and that the source selection was reasonably based. Id. Despite not rehashing each of the vendor's strengths or restating the SEP's findings under the other factors, as SRA would have preferred, we conclude that the agency met

²⁰ With respect to Synaptex, the SSA explained that the strengths in the vendor's technical quotation "more than overcome the negligible potential advantage offered by the lower-rated quotes that provided 0.67% to 6.65% more rates in the pre-defined range." SRA AR, Tab 31, Award Decision, at 8. The SSA reached a similar conclusion with respect to CGI's quotation, noting that the quotation was green or higher under every technical factor and that its price quotation was in line with the majority of vendors. Id.

the minimum documentation standard here, particularly given that this was a FAR subpart 8.4 procurement. See Digital Sys. Group, Inc., B-286931, B-286931.2, Mar. 7, 2001, 2001 CPD ¶ 50 at 12-13 (despite SSA's minimal explanation, basis for selection was reasonable and consistent with the solicitation's evaluation and award scheme). The protester's disagreement with the SSA's independent judgment is unavailing.

We also find no merit to SRA's objection to the award to G2SF. The record simply does not support SRA's assertion that the SSA "summarily discounted significant concerns" with G2SF's pricing. See SRA Comments/Supp. Protest at 45. On the contrary, the SSA expressly acknowledged that G2SF's pricing was some of the "least advantageous," and she provided sufficient context for her award selection. See SRA AR, Tab 31, Award Decision, at 8. Specifically, the SSA highlighted that G2SF provided one of the most highly rated technical quotations, but acknowledged that the vendor's pricing--with 39.65 percent of rates in the pre-determined range--was among the least advantageous to the government. Id. The SSA explained that the rates were found to be "too high," which, according to the SSA, created a risk that G2SF would be "unable to successfully win BPA [c]alls due to rates that are less competitive than the rest of the BPA holders."²¹ Id.

On the other hand, the SSA also pointed out that G2SF's technical score was very comparable to the other top vendors, and that the company should be "highly competitive technically." Id. The SSA found that "during a more detailed review" of G2SF's technical quotation, "it was easy to see that the cost weakness and risk is offset by the strength of the technical quote." Id. Moreover, the SSA relied on the fact that the BPA is establishing ceiling rates only, and that BPA awardees can offer additional discounts at the call level. Therefore, according to the SSA, the risk of having a less competitively priced BPA holder would be "mitigated through the nature of competition" at the BPA call level, when level of effort and labor mix will factor into the total price of a call. Id. Ultimately, the SSA concluded:

[A]llowing another highly acceptable technical [vendor] into the awardee pool seems low risk at this time given that a BPA award is not an obligation commitment for the Government, there will be sufficient competition at the BPA [c]all level given the other awardees identified, and that this [vendor] is a small business.

Id. "Even with the less advantageous price quote," the SSA deemed G2SF's quotation among the most advantageous to the government. Id.

Thus, the record demonstrates that the SSA was well aware that the majority of G2SF's ceiling labor rates were higher than the competition. Despite SRA's suggestions otherwise, the SSA expressed her concerns with G2SF's rates, but concluded that the

²¹ We note that GSA has already determined that the rates on a vendor's FSS contract are fair and reasonable. FAR § 8.404(d).

pricing risk could be mitigated at the BPA call level. As the agency explains, because there is no “total price” to a BPA, the rates at the BPA level only reflect the highest rates that a vendor could use when calculating a total price at the BPA call level. SRA COSF at 12. Consequently, there were no “significant negative price consequences” with respect to G2SF’s price quotation. Id. While SRA objects to this assessment, we see nothing improper about the SSA’s conclusion. In this regard, the RFQ expressly contemplated “further price reductions on an individual basis as BPA [c]alls are issued.”²² RFQ at 15. While SRA speculates that G2SF will not be able to provide the same level of technical superiority at reduced rates, the protester has not established that the SSA’s conclusions in this regard were unreasonable.

The SSA also focused on the strength of G2SF’s technical quotation. In this respect, the RFQ provided that the non-price evaluation factors were “significantly more important than price.” RFQ at 168. Where a solicitation emphasizes the significantly greater importance of technical factors over price, an agency has considerable discretion to award to a vendor with a higher technical rating and a higher price. See WPI, B-288998.4, B-288998.5, Mar. 22, 2002, 2002 CPD ¶ 70 at 10. Thus, we disagree that SRA’s more advantageous pricing automatically warranted an award or that the SSA placed undue emphasis on the technical ratings. Further, SRA’s position that G2SF’s technical superiority did not outweigh its disadvantageous pricing reflects the protester’s frustration with the source selection authority’s decision, but does not demonstrate any impropriety in the award determination. In sum, we find nothing objectionable about the agency’s selection of the higher-rated, higher-priced G2SF.

ISSUES RAISED BY DSFG

Exchanges with Vendors

As an initial matter, we address DSFG’s contention that NRC failed to conduct equal and meaningful discussions. In this regard, DSFG alleges that NRC’s exchanges with certain vendors, as well as the agency’s suggestion to address certain issues after award, triggered an obligation by the agency to conduct full discussions with all vendors. Indeed, if these exchanges constituted discussions, then DSFG and other vendors should have been advised of the agency’s concerns with their quotations and provided an opportunity to submit revised quotations.

NRC maintains that it never entered into discussions with any vendors. Instead, the agency categorizes its exchanges with vendors, which included Lockheed and DSFG,

²² Given that the RFQ expressly sought price reductions at the BPA call level, we disagree with SRA that the SSA’s conclusion reflects unequal treatment inasmuch as the protester was not provided a post-award opportunity to improve its competitive position. Unlike the provision seeking future reductions from awardees’ ceiling labor rates, the RFQ included no such flexibility with respect to a vendor’s technical understanding of the BPA’s SOW.

as limited clarifications that did not obligate the agency to conduct full discussions. We agree with the agency; the record does not support DSFG's position that the agency entered into discussions.

Exchanges Regarding Price Quotations

The record reflects that to evaluate price completeness and accuracy, NRC's price evaluation team first reviewed each vendor's price template to ensure that the GLINDA proposed rates were equal to or lower than the vendor's GSA schedule contract rates, as self-transcribed in the template. See DSFG AR, Tab 42, Final Price Evaluation Memo., at 3. The evaluators also compared the rates in the GLINDA price template to the vendors' actual GSA schedule contracts.²³ Id. During this review, the evaluators noticed that for both DSFG and Lockheed, the GSA labor rates self-identified in each vendor's price template were "slightly higher" than the rates in the vendors' actual GSA schedule contracts. Id. at 5, 7. The contract specialists believed that this was due to an overlap of the BPA's period of performance with two different pricing years of the vendors' GSA schedule contracts. Id. In fact, the specialist was able to calculate a rate similar to the schedule rate identified in the price template by prorating the pricing years to align with the BPA's periods of performance. Id. However, neither vendor provided an explanation in their price quotation.

Consequently, in mid-December 2016, the contract specialist contacted both DSFG and Lockheed via email. The nearly verbatim emails explained that the vendors' self-identified rates were higher than the rates on the actual schedule contracts; that NRC believed that this was due to an overlap of the BPA's period of performance with two different GSA schedule pricing years; and that the agency was able to calculate a similar rate by prorating the pricing years (*i.e.*, a blended rate). DSFG AR, Tab 35, Price Clarification - DSFG, at 2; Tab 36, Price Clarification - Lockheed, at 1-2. The specialist wrote as follows:

However, as you did not provide an explanation of this calculation in your narrative, we would like to confirm this is the methodology used to derive your GSA Schedule rates as provided. Thereby, a clarification is requested to understand/confirm how you derived the pricing identified as your GSA Schedule 70 Contract pricing within your quote. Clarifications are requested by December 30, 2016.

Id. In response, representatives from DSFG and Lockheed confirmed the agency's understanding: the vendors' self-identified schedule rates in the GLINDA price templates reflected a prorated blending of their GSA schedule contracts' periods of performance. DSFG AR, Tab 35, Price Clarification - DSFG, at 1; Tab 36, Price

²³ Quotations that failed to demonstrate complete and accurate rates based on the established ceiling rates of their GSA schedule contract were deemed noncompliant. DSFG AR, Tab 42, Final Price Evaluation Memo., at 21.

Clarification - Lockheed, at 1. DSFG explained that this was done to align the rates with the GLINDA BPA period of performance, as the agency had surmised. DSFG AR, Tab 35, Price Clarification - DSFG, at 1. Both vendors also provided the methodology used to develop the blended rates.²⁴ Id.; DSFG AR, Tab 36, Price Clarification - Lockheed, at 1. No additional information was solicited or submitted, and no rates were changed. See DSFG AR, Tab 42, Final Price Evaluation Memo., at 6-7.

As noted above, DSFG argues that these exchanges actually constituted discussions, thus requiring NRC to have advised all vendors of “perceived shortcomings” in quotations and provided an opportunity for the submission of revised quotations.²⁵ DSFG Comments/2nd Supp. Protest at 5.

As we have previously noted in our decisions, the procedures of FAR part 15 governing contracting by negotiation--including those concerning exchanges with offerors after receipt of proposals--do not govern competitive procurements under the FSS program. FAR § 8.404(a); USGC Inc., B-400184.2 et al., Dec. 24, 2008, 2009 CPD ¶ 9 at 3. There is no requirement in FAR subpart 8.4 that an agency seek clarifications or otherwise conduct discussions with vendors or offerors. See USGC Inc., supra. However, exchanges that do occur with vendors in a FAR subpart 8.4 procurement, like all other aspects of such a procurement, must be fair and equitable; our Office has looked to the standards in FAR part 15 for guidance in making this determination. See, e.g., Ricoh USA, B-411888.2, Nov. 18, 2015, 2015 CPD ¶ 355 at 5-6.

In this regard, FAR part 15 defines clarifications as “limited exchanges” that agencies may use to allow offerors to clarify certain aspects of their proposals (or in this case quotations) or to resolve minor or clerical mistakes. See FAR § 15.306(a)(1), (2); Diversified Collection Servs., Inc., B-406958.3, B-406958.4, Jan. 8, 2013, 2013 CPD ¶ 23 at 11 (using FAR part 15 definitions of post-proposal communications, or exchanges, as guidance in FSS context). Discussions, by contrast, occur when an agency communicates with an offeror for the purpose of obtaining information essential to determine the acceptability of a proposal or quotations, or provides the offeror with an opportunity to revise or modify its proposal or quotation. Diversified Collection Servs., Inc., supra, at 11-12; see FAR § 15.306(d). The agency’s characterization of a

²⁴ DSFG complains that the methodology employed by Lockheed--in calculating its blended schedule rates, not its BPA ceiling rates--was slightly flawed, which resulted in a discrepancy of several cents for certain rates. See Comments/2nd Supp. Protest at 26-31. We need not address this questionable allegation because, as outlined below, DSFG is not an interested party to challenge the evaluation of the awardees’ quotations.

²⁵ We highlight that in its own response to the agency request, DSFG apologized for not providing “clarification” in its quotation and requested that NRC contact the vendor if it required “any further clarification” regarding its methodology. DSFG AR, Tab 35, Price Clarification - DSFG, at 1-2. That is, both the protester--before its protest--and the agency referred to the communication as a clarification.

communication as clarifications or discussions is not controlling; it is the actions of the parties that determine whether discussions have been held and not merely the characterization of the communications by the agency. See Kardex Remstar, LLC, B-409030, Jan. 17, 2014, 2014 CPD ¶ 1 at 4.

Here, the protester's insistence that the communications the agency had with it and Lockheed constituted discussions (and not clarifications) is unavailing. Our review of the record confirms that the exchanges were limited to confirming that the vendors' self-identified GSA schedule rates were blended rates and to clarify the calculation used. At no point was either vendor permitted an opportunity to revise or modify its quotation, which would have triggered discussions. See Allied Tech. Group, Inc., B-402135, B-402135.2, Jan. 21, 2010, 2010 CPD ¶ 152 at 6 ("The 'acid test' for deciding whether discussions have been held is whether it can be said that an offeror was provided the opportunity to modify or revise its proposal"). Communications that do not permit a vendor to revise or modify its quotation, but rather request that the vendor confirm what it has already committed to do are clarifications and not discussions. See Highmark Medicare Servs., Inc., et al., B-401062.5 et al., Oct. 29, 2010, 2010 CPD ¶ 285 at 11; cf. Arrington Dixon & Assocs., Inc., B-409981, B-409981.2, Oct. 3, 2014, 2014 CPD ¶ 284 at 10 (concluding that exchanges with vendors that permitted vendors to materially revise price quotations were analogous to discussions).

Further, despite DSFG's assertions, the exchanges here were not necessary to determine whether the quotations were compliant with the RFQ or otherwise acceptable. In this respect, both vendors had already proposed labor rates that were well below the vendors' GSA schedule rates, regardless of whether the agency compared the proposed GLINDA rates to the blended schedule rates self-identified in the price template or to the slightly lower schedule rates in the actual GSA contracts.²⁶ See DSFG Supp. MOL at 4. That is, the exchanges seeking confirmation that DSFG and Lockheed had self-identified a blended rate did not have any impact on whether either vendor complied with the requirement that all proposed GLINDA rates be at or below the vendors' GSA schedule contract rates.²⁷ In this respect, the vendors were not "seemingly noncompliant offerors," as DSFG insists. See Comments/2nd Supp. Protest at 15. Instead, the agency explains that the clarifications only assisted NRC in determining the extent of the discount from the GSA schedule rate being offered, and the discounts were not an element of the price evaluation. See DSFG COSF at 20.

²⁶ According to the agency, Lockheed's quoted rates were on average approximately [DELETED] percent lower than its schedule rates. DSFG Supp. MOL at 10.

²⁷ The protester's focus on whether the self-identified GSA schedule rates exceeded the actual GSA schedule rates is entirely misplaced. See Comments/2nd Supp. Protest at 11, 15. In this respect, the solicitation only required that the proposed GLINDA BPA rates be at or below the GSA schedule contract rates; quotation compliance did not hinge on whether the schedule rates self-identified in the price template were below, or even identical to, the actual GSA contract rates. See RFQ at 165.

Thus, the communications did not cure any quotation deficiencies or material omissions, or otherwise impact whether the vendors submitted compliant quotations. Rather, the clarifications provided an opportunity for the vendors to do just that--clarify that they used a blended rate and explain how the rate was calculated. Put simply, the clarifications with DSFG and Lockheed did not turn otherwise noncompliant quotations into compliant ones such that the communications should be regarded as discussions, regardless of how much DSFG asserts otherwise. See Pioneering Evolution, LLC, B-412016, B-412016.2, Dec. 8, 2015, 2015 CPD ¶ 385 at 11 (agency exchange regarding inconsistency in cost proposal was a clarification where the inconsistency was minor, apparent, and easily correctable); CH2M Hill Antarctic Support, Inc., B-406325 et al., Apr. 18, 2012, 2012 CPD ¶ 142 at 11 (agency's request that offeror confirm the agency's understanding regarding cost proposal, without allowing the offeror to revise its costs, constituted clarifications, not discussions); Career Training Concepts, Inc.-- Advisory Opinion, B-311429, B-311429.2, June 27, 2008, 2009 CPD ¶ 97 at 6 (agency request for narrative description of components in price proposal constituted clarifications).

In our view, the contracting officer here merely sought to clarify a minor aspect of DSFG's and Lockheed's price quotations. The exchanges did not afford either vendor an opportunity to revise their quotations nor turn an otherwise noncompliant quotation into a compliant one. Thus, we agree with NRC that the exchanges here constituted "textbook clarifications," which did not trigger an obligation that the agency discuss aspects of its evaluation of quotations with the vendors. See DSFG Supp. MOL at 6.

Quotation Assumptions by CGI

Next, in a further effort to establish that the agency was required to provide DSFG an opportunity to revise its quotation, the protester points to the agency's response to certain assumptions that awardee CGI included in its quotation.

As permitted by the RFQ, see RFQ at 166, in its price quotation, CGI identified various assumptions "to help the NRC understand the underlying beliefs used to prepare [CGI's] BPA response and price quote." DSFG AR, Tab 48, Price Quotation - CGI, at 3. One such assumption involved whether non-U.S. citizens could be used to support GLINDA BPA calls. Specifically, CGI pointed to "conflicting guidance" in the solicitation where one RFQ provision laid out the process for obtaining building access for non-U.S. citizens, see RFQ at 103, § 1.2, yet the SOW stated that proposed staff were to be U.S. citizens. Id. at 39, SOW ¶ C.5.2.2.4; DSFG AR, Tab 48, Price Quotation - CGI, at 4. CGI explained that because no further clarification was provided by NRC, it assumed that the general guidance in section 1.2 controlled, and the vendor predicated its response on its understanding that non-U.S. citizens could work at NRC to support GLINDA BPA calls. DSFG AR, Tab 48, Price Quotation - CGI, at 4.

NRC's price evaluation team reviewed CGI's assumptions and highlighted that the vendor expressly documented that the assumptions were "not intended as exceptions to the RFQ." See DSFG AR, Tab 42, Final Price Evaluation Memo., at 19, quoting Tab 48,

Price Quotation - CGI, at 3. With respect to the use of non-U.S. citizens to support BPA calls, the price evaluators noted that CGI “might have some misunderstanding” and that the SOW provision governs. Id. The contract specialist recommended “clarifying NRC’s . . . allowance of Non-U.S. citizens with all BPA holders after award.”²⁸ Id.

According to DSFG, this recommendation amounted to an intent to hold “post-award discussions.” See DSFG Comments/2nd Supp. Protest at 17; DSFG Supp. Comments at 22, 26-29. DSFG’s argument is premised on its belief that CGI took exception to a material solicitation term, and that the agency committed to curing this deficiency after award. We disagree.

In our view, the agency’s response to CGI’s assumption did not reflect a commitment by the agency to engage in post-award discussions. First, we agree with the agency and the intervenor that CGI’s assumptions were not exceptions to the terms of the solicitation; CGI explicitly did not take exception to any requirement. See DSFG AR, Tab 48, Price Quotation - CGI, at 3. In this regard, this is not a case where a vendor makes it clear that it does not intend to commit to the solicitation’s terms. See, e.g., Rel-Tek Sys. & Design, Inc., B-280463.3, Nov. 25, 1998, 99-1 CPD ¶ 2 (award improper where proposal failed to conform to material solicitation requirements). Rather, CGI’s assumption reflected the vendor’s “underlying beliefs” used to prepare its quotation, given an apparent ambiguity in the solicitation regarding the use of non-U.S. citizens. See Arrington Dixon & Assocs., Inc., supra, at 11 (finding that assumptions did not qualify a price quotation where quotation advised that it took no exception to and agreed to comply with the solicitation). Moreover, contrary to DSFG’s argument, nothing in CGI’s price quotation suggested that its rates were contingent on a reliance on non-U.S. citizens.

The record further reflects that CGI’s apparent misunderstanding had no bearing on the evaluation of CGI’s quotation. That is, the agency did not conclude that the quotation was in any way unacceptable, nor were there any evaluative consequences due to the assumption.²⁹ Thus, any post-award conversations with the awardee would not be in the context of remedying quotation deficiencies. Put simply, CGI’s assumption did not rise to the level of a material noncompliance such that any clarity from the agency after award should have been regarded as discussions.³⁰ See Diversified Collection Servs., Inc., supra, at 13-15.

²⁸ The contracting officers represent that NRC did not engage in any communications with vendors after the solicitation closed. DSFG COSF at 5.

²⁹ To the extent DSFG argues that there should have been evaluative consequences in response to CGI’s assumptions, the protester is not an interested party to raise this argument, as outlined below.

³⁰ In fact, the record reflects that CGI’s understanding regarding non-U.S. citizens at NRC is not entirely inaccurate. See DSFG AR, Tab 42, Final Price Evaluation Memo.,
(continued...)

In sum, neither the agency's exchanges with certain vendors nor its response to CGI's assumptions can reasonably be interpreted as discussions.³¹ Consequently, NRC was under no obligation to raise other aspects of its evaluation--including, for example, significant weaknesses under the non-price factors--with DSFG or any of the other vendors.

DSFG Evaluation Challenges

Having concluded that the agency was under no obligation to conduct full discussions with the vendors, we next turn to the reasonableness of NRC's evaluation of DSFG's quotation. As noted above, DSFG maintains that NRC conducted a flawed evaluation of its quotation across each of the factors. The protester argues that the evaluation record reflects unequal treatment and that the agency held DSFG to a stricter evaluation standard as compared to the awardees. As outlined below, we find unobjectionable the agency's assignment of a red rating to DSFG's quotation under the management approach and key personnel factor; as a result, DSFG cannot demonstrate that it was prejudiced by any other alleged evaluation errors.

Management Approach and Key Personnel

In assigning DSFG's quotation a red rating under the management approach and key personnel factor, the SEP criticized numerous aspects of the protester's management approach, assigning weaknesses, significant weaknesses, and risks to various parts of this section of the quotation. We highlight some of the evaluators' findings.

For example, the SEP assigned weaknesses to DSFG's approach to managing a widely dispersed team operating under multiple BPA calls. First, the SEP criticized DSFG's "minimalist response to actual management practices," and found that the protester's quotation provided NRC with "little understanding of the offeror's operational plans for program management." DSFG AR, Tab 39, SEP Technical Evaluation Report - DSFG, at 15. The SEP similarly criticized DSFG's discussion of communications with the widely dispersed team. The quotation pointed to service level requirements (SLRs) and operating level agreements (OLAs) as "[DELETED]." DSFG AR, Tab 25, Technical Quotation - DSFG, at 112. The quotation also contemplated the deputy program manager (DPM) being responsible for BPA call responses; DSFG's DPM was proposed to "[DELETED]" that the agency would review and approve post award. Id. If the BPA

(...continued)

at 19 ("NRC's Management Directive 12.3 does allow for dual citizens and non-U.S. citizens access to NRC, however, specific conditions have to exist").

³¹ We have also considered DSFG's other arguments regarding alleged post-award discussions (e.g., regarding a commitment that CGI's PM obtain a certain level of ITIL certification after award) and find that they have no merit.

call would be dependent on another call, then DSFG would suggest [DELETED]. Id. The SEP identified this aspect of the quotation as a weakness, concluding as follows:

The offeror appears more focused on [DELETED] than communicating with other GLINDA offerors. Also, this shows a lack of understanding in the BPA [c]all procurement process and the roles/responsibilities of the government vs. contractor. The government will develop SOWs, or equivalent documents, and supply such documents to all BPA holders through an RFQ process, per the FAR and the RFQ Ordering Instructions. The government will not be asking the contractors to develop SOWs.

DSFG AR, Tab 39, SEP Technical Evaluation Report - DSFG, at 15.

The SEP next expressed concern with DSFG's approach to deliver IT services within a large infrastructure made up of multiple vendors. NRC summed up that DSFG's approach was to "leave the NRC in charge." Id. In this respect, the SEP pointed to a table in the quotation that identified [DELETED]. See DSFG AR, Tab 25, Technical Quotation - DSFG, at 118. According to the SEP, this aspect of the quotation did "not reflect a cohesive approach to partnership," and, instead, was "susceptible to a 'point your finger' situation in which a contractor does its part and then blames the agency or other contractors within the larger infrastructure framework." DSFG AR, Tab 39, SEP Technical Evaluation Report - DSFG, at 15.

Yet another weakness was assigned based on DSFG's approach to managing projects with other GLINDA contractors. Specifically, the evaluators critically summarized DSFG's approach as "[DELETED]," which, according to the SEP, might not lead to a "best breed situation." Id. For this weakness, the SEP repeated its concern that DSFG continued to focus on [DELETED] instead of actually discussing its management approach.

The protester's risk management approach was also deemed a weakness. The SEP expressed concern that the quotation provided "no detail related to identifying and mitigating risks or addressing issues." DSFG AR, Tab 39, SEP Technical Evaluation Report - DSFG, at 16. The evaluators further criticized the approach as an "isolated process without agency or dependent party participation." Id. at 16.

The evaluators also leveled a negative assessment of DSFG's approach to recruiting, hiring, retaining qualified personnel, and filling vacancies. Over several paragraphs, the SEP raised concerns with various aspects of DSFG's approach, which it referred to as "generic." Id. With respect to retention, the SEP highlighted that the protester's retention rate on NRC's IT Infrastructure and Support Services (ITISS) contract was "[DELETED] the average U.S. retention rate" and only provided insight to one year on that contract. Id. Among other things, the SEP highlighted DSFG's lack of an approach to training; expressed concern with how DSFG would mitigate GLINDA staffing gaps given that DSFG proposed to promote from within; and noted that DSFG failed to mention knowledge of clearance processing and timelines to on-board staff. Id.

In addition to the above-mentioned weaknesses, the SEP identified two significant weaknesses and a risk with DSFG's management approach. The significant weaknesses stemmed from DSFG's failure to include in its quotation information expressly required by the RFQ: the frequency of relevant training for staff and the percentage of the "delivery unit" that possessed an ITIL foundations-level certification. Id.; see RFQ at 164.

Under the management approach element of the factor, the SEP cited the following as a risk:

There is a moderate to high performance risk due to [DSFG's] approach toward [DELETED] and to only report out to [DELETED]. This risk may be mitigated with close government monitoring and oversight. Additionally, the offeror continuously refers to this BPA as ITISS (i.e. the current contract) vs. GLINDA throughout [the management approach section of its quotation]. Though naming confusion is not a weakness by itself, it is indicative of a larger concern, as identified with other noted weaknesses, that the offeror does not understand the implications to managing and performing under an entirely different type of procurement than the current contract.

DSFG AR, Tab 39, SEP Technical Evaluation Report - DSFG, at 16-17.

Next, the SEP assessed the second element of the factor, the qualifications and experience of DSFG's key personnel. First, the SEP highlighted as a strength that DSFG's proposed PM and DPM had "strong, relevant experiences," noting that the DPM in particular had "outstanding qualifications and experience." Id. at 17. However, the evaluators expressed concern that the proposed DPM was not actually employed by DSFG. More specifically, the SEP noted that DSFG's quotation identified the DPM as a "current employee of our CTA [contractor teaming arrangement] partner." DSFG AR, Tab 25, Technical Quotation - DSFG, at 131. However, DSFG did not propose as a CTA, but rather as a prime contractor with proposed subcontractors, and the DPM was actually an employee of one of the proposed subcontractors. Id. at 2 ("DSFG will lead a team of subcontractors"), at 31-33 (identifying DSFG's "team of subcontractors"), at 128 (identifying the proposed DPM as an employee of a subcontractor). In assigning a significant weakness, the SEP explained:

It is not clear whether this subcontractor employee will have authority to direct prime contractor staff, or whether he will need to have the PM approve everything, which could result in performance delays. Further, the NRC does not have privity of contract with the subcontractor, and cannot directly engage (provide technical direction or authorize contract changes) with the subcontractors. This approach creates risk that was not addressed or mitigated by the offeror's quote.

DSFG AR, Tab 39, SEP Technical Evaluation Report - DSFG, at 17. The significant weakness led the evaluators to conclude that there was a "high performance risk that

the DPM may not be effective due to the contractual relationship established within this quote.” Id.

DSFG focuses its protest on the agency’s characterization of the vendor’s management approach as “working in isolation,” as well as the agency’s concerns regarding DSFG’s proposed DPM. See DSFG Comments/2nd Supp. Protest at 40-46. With respect to the first management risk, DSFG argues that its quotation “emphasize[d] the importance of engaging with the Agency and other BPA holders,” and cites to a portion of the quotation that mentions communications. Id. at 45. DSFG also refers to its [DELETED] tool and notes that it proposed daily interaction with contracting representatives. However, the record reflects that the evaluators acknowledged these attributes of DSFG’s quotation, even quoting related excerpts from the quotation. But the SEP reached a different conclusion than the protester, expressing concern that DSFG proposed to only report to NRC instead of engaging and creating a proactive partnership with the agency; these assessments were confirmed by our review of the record. Still, as highlighted above, this was but one aspect of the risk assigned, which was but one of many issues the evaluators raised regarding DSFG’s management approach. While DSFG may believe that the agency’s concerns reflect a “contrived risk,” the protester’s disagreement with the evaluators’ assessment is insufficient to establish an unreasonable evaluation. See id. at 46.

Likewise, DSFG’s objections to the agency’s concerns regarding its proposed DPM are equally unpersuasive. In this regard, DSFG complains that the RFQ did not require that NRC have privity of contract with the DPM’s employer, and that the evaluators’ concerns regarding staffing decisions were unfounded. First, we agree with DSFG that the solicitation did not preclude vendors from proposing key personnel who were not employed by the bidding entity. Nonetheless, there was no reason the agency could not weigh this aspect of a vendor’s management approach during its evaluation of quotations. Indeed, the RFQ instructed vendors to discuss the position of its key personnel within the overall corporate structure. RFQ at 164. In this respect, we disagree with the protester that the agency relied on unstated evaluation criteria to downgrade DSFG’s quotation.³²

³² We also disagree with DSFG that the agency’s evaluation reflected unequal treatment because the agency only assigned a weakness to CGI’s quotation due to the vendor’s proposed PM not having expert level ITIL certification (or expressing a commitment to achieve the certification within one year of award). See DSFG AR, Tab 40, SEP Technical Evaluation Report - CGI, at 1. In this regard, the record reflects that the SEP expressed no related concerns regarding DSFG’s key personnel’s ITIL certifications, a necessary element to support a disparate treatment allegation. We also reject DSFG’s attempt to conflate CGI’s proposed PM’s lack of an ITIL expert-level certification--which was required to be obtained within one year of award--with DSFG’s failure to identify and discuss issues stemming from DSFG’s reliance on a subcontractor for one of its key personnel.

In any event, the evaluators' concerns were not solely that the DPM was employed by a subcontractor, as the protester suggests; rather, the concerns stemmed from DSFG's failure to address or mitigate any risks associated with proposing a subcontractor employee for a key position. NRC notes that it reasonably expected vendors to address the use of their proposed subcontractors in the context of their management approach. DSFG MOL at 27. The record confirms that DSFG failed to address the interplay and authority of its proposed DPM, both in the context of its own management structure as well as its contractual relationship with NRC.

The agency's concerns are particularly unobjectionable given the solicitation's emphasis on the distinction between a CTA and prime/subcontractor relationship. The RFQ warned that a subcontractor and teaming partner were "not interchangeable," and the agency deliberately included in its solicitation a table distinguishing between a CTA and prime/subcontractor agreement. See RFQ at 97. One of the differences highlighted was that only the prime contractor has privity of contract with, and can interact with, the government. See id. In its quotation, DSFG failed to acknowledge these distinctions even though it proposed that both its PM and DPM would be directly interacting with NRC contracting officials; instead, DSFG inaccurately referred to its DPM as an employee of its CTA partner. See DSFG AR, Tab 25, Technical Quotation - DSFG, at 118, 131.

On this record, we find reasonable the significant weakness and risks assigned to the protester's quotation. Moreover, given the numerous evaluation critiques, which span nearly every aspect of DSFG's management approach, we find unobjectionable the agency's conclusion that the quotation warranted a red rating under the factor.

Prejudice

DSFG also protests the evaluation of its quotation under the three other non-price factors, as well as the agency's price evaluation. We need not decide, however, whether the agency's evaluation of DSFG's quotation under the remaining factors was unreasonable because we find that DSFG was not prejudiced by any evaluation errors under any of these factors.

Competitive prejudice is an essential element of every viable protest; where the protester fails to demonstrate that, but for the agency's actions, it would have had a substantial chance of receiving the award, there is no basis for finding prejudice, and our Office will not sustain the protest, even if deficiencies in the procurement are found. Arc Aspicio, LLC, et al., B-412612 et al., Apr. 11, 2016, 2016 CPD ¶ 117 at 7.

As noted above, the RFQ warned that a vendor "may be eliminated from further consideration if its technical and/or pricing quotes are not considered most advantageous to the Government." RFQ at 167. Ultimately, the SSA concluded that quotations that were rated red "in any factor" were unacceptable and posed "too much risk to be considered among the most advantageous to the Government, even though some of them . . . quoted pricing that was advantageous to the Government." DSFG

AR, Tab 43, Award Decision, at 7. Here, the SSA agreed with the SEP that DSFG's sole red rating--which we find unobjectionable--rendered the quotation "technically unacceptable" and was sufficient for the agency to not consider DSFG for award, a point acknowledged by DSFG. See DSFG Comments/2nd Supp. Protest at 46 ("a Red score in any factor precluded any further consideration by the SSA"). Indeed, a quotation that is deemed technically unacceptable cannot be considered for award. See URS Fed. Tech. Servs., Inc., B-405922.2, B-405922.3, May 9, 2012, 2012 CPD ¶ 155 at 12.

Given that the agency determined that DSFG's sole red rating rendered the quotation unacceptable and, thus, unawardable, we need not address the merits of the protester's remaining evaluation objections. See The Dalton Gang, Inc.; All Points Logistics, Inc., B-412382.5 et al., Mar. 1, 2017, 2017 CPD ¶ 61 at 12.

Interested Party

DSFG also raises various challenges to the evaluation of the awardees' quotations, primarily focusing on alleged errors regarding the awards to Lockheed and CGI.³³ For instance, DSFG strongly objects to the agency's failure to document an analysis of the impact on the procurement of the corporate transaction through which Leidos acquired LMIS&GS.³⁴ See, infra, n.10. With respect to CGI, DSFG maintains that various

³³ We decline to accept DSFG's characterization of some of these protest grounds as disparate treatment by the agency. Instead, the challenges should properly be considered objections to the evaluation of the awardee's quotations, given that any evaluative differences stem from differences in the quotations. For instance, DSFG asserts that a lack of documentation in the record regarding the Lockheed-Leidos transaction somehow reflects unequal treatment. DSFG's contention fails because DSFG's negative evaluation results had nothing to do with its acquisition by NTT DATA. That is, the agency in no way penalized DSFG for its corporate transaction and, disparately, gave Lockheed a pass.

³⁴ We note, for the record, that Lockheed advised NRC in its initial price quotation of the planned corporate transaction and subsequently informed the agency after the transaction took place. The quotation and subsequent notification emphasized that the transaction would "not have a material impact on the performance of any contract resulting from this proposal." See DSFG AR, Tab 52, Price Quotation - LMC, at 1; Tab 59, Leidos Notice of Ownership Change, Sept. 16, 2016, at 1 ("This Transaction will not have a material impact on the technical, management or other performance of this contract"). The agency acknowledged the transaction in its evaluation documents. See DSFG AR, Tab 42, Final Price Evaluation Memo., at 20. Notably, the protester has not established that Leidos intends to perform under the BPA in a manner differently than what was proposed. While the protester argues that the agency should have contemporaneously documented an analysis of the corporate transaction, DSFG has not demonstrated that the agency's failure to do so resulted in an improper award decision or otherwise prejudiced the protester.

assumptions and conditions in the quotation rendered it unacceptable for award. We need not reach the merits of these allegations because DSFG is not an interested party to challenge the awards.

Our Bid Protest Regulations define an “interested party” as an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of a contract or the failure to award a contract. 4 C.F.R. § 21.0(a)(1). Determining whether a party is interested involves consideration of a variety of factors, including the nature of issues raised, the benefit or relief sought by the protester, and the party’s status in relation to the procurement. Four Winds Servs., Inc., B-280714, Aug. 28, 1998, 98-2 CPD ¶ 57. A protester is an interested party to challenge a procurement where there is a reasonable possibility that its proposal would be in line for award if the protest were sustained. See TENICA & Assocs., LLC et al., B-411173.10 et al., Mar. 2, 2016, 2016 CPD ¶ 79 at 7. Conversely, a protester is not an interested party where it would not be in line for contract award were its protest to be sustained. See id. In this regard, where, as here, there is an intervening offeror who would be in line for the award even if the protester’s challenges were sustained, the intervening offeror has a greater interest in the procurement than the protester, and we generally consider the protester’s interest to be too remote to qualify it as an interested party. See Ridoc Enter., Inc., B-292962.4, July 6, 2004, 2004 CPD ¶ 169 at 9.

As discussed above, the agency reasonably rated the protester’s quotation as red under the management approach and key personnel factor. According to the SEP and the SSA, the sole red rating rendered the quotation technically unacceptable and unawardable. Further, the SEP and SSA noted that while 11 vendors submitted unacceptable quotations, another six—including, for example, SRA—submitted acceptable quotations but were not selected for award. See DSFG AR, Tab 43, Award Decision, at 4. Given that there were intervening vendors that would be in line for a BPA if DSFG’s award challenges proved meritorious, we conclude that DSFG lacks the direct economic interest required to maintain these protest allegations.³⁵ As such, these protest grounds are dismissed. See Cyberdata Techs., Inc., B-411070 et al., May 1, 2015, 2015 CPD ¶ 150 at 9 (protester not an interested party to challenge evaluation of BPA awardees where its quotation was reasonably rated as unacceptable).

The protests are denied in part and dismissed in part.

Susan A. Poling
General Counsel

³⁵ This is not a scenario where an unacceptable vendor is challenging an award to the only vendor deemed eligible such that the protester qualifies as an interested party, as DSFG asserts. See, e.g., Level 3 Communications LLC, B-412854 et al., June 21, 2016, 2016 CPD ¶ 171 at 10 n.15. Here, as explained herein, there are multiple disappointed vendors that submitted acceptable quotations that were not removed from award consideration. Thus, this defense by the protester fails.