U.S. GOVERNMENT ACCOUNTABILITY OFFICE
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Comptroller General
of the United States

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Decision

Matter of: Booz Allen Hamilton, Inc.; Altamira Technologies Corporation

File: B-415218; B-415218.2; B-415218.3; B-415218.4; B-415218.5

Date: December 11, 2017

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Daniel R. Forman, Esq., Christian N. Curran, Esq., Stephanie L. Crawford, Esq., and Monica R. Sterling, Esq., Crowell & Moring LLP, for ManTech Advanced Systems International, Inc., the intervenor.
Robert B. Neill, Esq., and Scott N. Flesch, Esq., Department of the Army, for the agency.
Paula J. Haurilesko, Esq., and Laura Eyester, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest that awardee failed to comply with solicitation requirement to provide pricing for all proposed subcontractors is denied, where the solicitation required pricing only for subcontractors proposed to perform the required level of effort identified in the pricing matrix.

2. Protest that the agency failed to appropriately assess the realism of the awardee's labor rates is denied, where the record shows that the agency took into consideration the unique features of the proposal.

3. Protest that the agency treated offerors unequally with respect to its cost realism analysis is denied, where the record shows that the agency reasonably upwardly adjusted the protester's labor rates because the protester failed to adequately support the rates, and did not adjust the awardee's subcontractors' rates because they were fixed ceiling rates.

4. Protest that the agency failed to engage in meaningful discussions is denied, where the agency found the protester's overhead rates to be fair and reasonable.

5. Protest that the agency unreasonably assigned a weakness to an offeror's proposal is denied, where the record shows that the agency reasonably found the assignment of a [DELETED] to be responsible for multiple locations could increase transition risk, when the [DELETED] would be responsible for large numbers of staff at one location.

DECISION

Booz Allen Hamilton, Inc., and Altamira Technologies Corporation, both of McLean, Virginia, protest the issuance of a task order to ManTech Advanced Systems International, Inc., of Fairfax, Virginia, under request for task order proposals (RTOP) No. W911W4-17-R-0006, issued by the Department of the Army, Intelligence and Security Command, for analytical support services. The protesters challenge the Army's evaluation of staffing and cost/price proposals, as well as the best-value tradeoff decision.

We deny the protests.

BACKGROUND

On March 7, 2017, the agency issued the RTOP to firms holding contracts under the agency's Global Intelligence Support Services multiple-award, indefinite-delivery/ indefinite-quantity (IDIQ) contract vehicle for analytical support services for Army counterintelligence and counterterrorism operations. Contracting Officer's Statement (COS) at 1; Agency Report (AR), Tab 6, RTOP Transmittal Letter.[1] The solicitation contemplated the issuance of a cost-plus-fixed-fee task order with a 1-year base period, two 1-year option periods, and an 8.5-month option period. AR, Tab 17, Performance Work Statement (PWS), at 6, 8.

The solicitation provided that the task order would be issued on a best-value tradeoff basis, considering staffing approach and cost. AR, Tab 26, RTOP amend. 4, at 023, 024.[2] The solicitation stated that the staffing approach factor was more important than the cost factor. Id. at 024. The staffing approach factor consisted of two equally-weighted subfactors: staffing plan and transition plan. Id. at 025.

Under the staffing plan subfactor, the solicitation stated that the government would evaluate each offeror's staffing plan to assess the proposed techniques for acquiring and retaining qualified personnel, as well as the offeror's historical ability to retain personnel to meet the schedule and performance requirements of the PWS. Id. Under the transition plan subfactor, the RTOP stated that the government would evaluate each

[1] Booz Allen's and Altamira's protests were developed separately, and then later joined in the drafting of this decision. Our citations are to the agency report provided in response to Booz Allen's protest, except where otherwise indicated.

[2] Where the agency renumbered documents, we cite to the agency's page numbers.

offeror's understanding of the processes and procedures the offeror proposes to use to transition from an incumbent contractor within the requirements of the PWS phase-in/phase-out periods at the appropriate staffing levels and within the stated timelines. Id. In this regard, the experience and education requirements for personnel were lowered from those required under the incumbent contract. See COS at 19; AR, Tab 28, Booz Allen Staffing Proposal, at 004. The RTOP also stated that the government would evaluate each offeror's understanding of the risks associated with its proposed methodologies and mitigation techniques to ensure a seamless transition. RTOP amend. 4, at 025.

The RTOP provided for the calculation of the most probable cost to the government, based on cost realism adjustments to what the solicitation terms the "total proposed price," which included a 45-day phase-in period,[3] the base and option periods, and a 6-month option to extend services. Id. at 026. In this regard, the RTOP stated that the most probable cost would be determined by adjusting an offeror's proposed cost to reflect any additions or reductions to cost elements to realistic levels based on the results of the realism analysis. Id.

Offerors were instructed to complete a pricing matrix in which offerors were to provide labor rates for six government-specified labor categories spread across 16 locations. Id. at 018; AR, Tab 23, Pricing Matrix, Instructions. The spreadsheet also specified the number of labor hours per labor category. AR, Tab 23, Pricing Matrix, Required Labor Details. Offerors were not permitted to alter the skill mix or estimated labor hours specified in the spreadsheet. RTOP amend. 4, at 018. Offerors were further instructed to include data to support the proposed labor rates for each locality. Id.

In addition, the RTOP required offerors to provide the number of hours proposed for subcontractors for each labor category, fully burdened subcontractor labor rates, and a detailed cost build-up for the fully burdened labor rates. Id. at 018-019. The RTOP stated that subcontractors were not required to provide cost build-ups if the proposed fully burdened labor rates were "fixed ceiling rates" and the subcontractor agreed not to exceed the fixed ceiling rates; however, offerors were to explain how the rates were determined to be reasonable and realistic. Id. at 019. The fixed ceiling rates were to be incorporated into the resulting task order. Id. at 017, 019. Subcontractors were permitted to submit the cost build-up directly to the Army separately from the prime contractor. Id. at 019.

The Army received six proposals, which were evaluated by the task order selection board. COS at 5. The Army issued evaluation notices (EN) to offerors. Id.; COS (Altamira) at 5. ManTech received seven ENs concerning its cost proposal. AR, Tab 88, ManTech's Response to ENs, at 003. The evaluators questioned the qualifications for different pay levels, price multiple used in ManTech's subcontractor

[3] Offerors were to propose a fixed price for the phase-in period. RTOP amend 4, at 011.

price analysis, realism of eight of the subcontractor fixed ceiling labor rates, proposed phase-in cost, realism of numerous prime contractor labor rates (including personnel with security clearances), experience level of its proposed staff, and general and administrative rate used. See id. at 005-025. After the Army reviewed ManTech's responses to the ENs, the Army upwardly adjusted some of the prime contractor direct labor rates, which increased ManTech's most probable cost by $12,383,344. AR, Tab 94, ManTech Final Cost Evaluation, at 17-22.

The evaluators issued five ENs to Booz Allen for its cost proposal. AR, Tab 57, Booz Allen Response to ENs, at 1-25. The evaluators questioned the proposed hourly labor rate for some of the subcontractor labor categories, one prime contractor proposed direct labor rate, and the geographic differential for labor rates. Id. After the Army reviewed Booz Allen's responses, the evaluators upwardly adjusted Booz Allen's most probable cost by $2,673,707 for the one prime contractor labor rate that was considered too low. AR, Tab 75, Booz Allen Final Cost Evaluation, at 21-22, 24. As relevant here, the evaluators reviewed Booz Allen's overhead rates as part of their cost analysis, and concluded they were reasonable based on the forward pricing rate recommendation that the offeror submitted to the Defense Contract Management Agency. Id. at 14-15. Accordingly, no EN was issued with respect to Booz Allen's overhead rates.

The evaluators issued three ENs to Altamira for its cost proposal. AR (Altamira), Tab 43, Altamira's Response to ENs, at 001. The evaluators questioned Altamira's escalation factor, proposed prime contractor direct labor rates, and subcontractor proposed fixed ceiling rates. Id. at 002, 003, 024. As relevant here, in response to the evaluators' concerns, Altamira provided the following supporting documentation for its labor rates: a sampling of contingent offer letters, a sampling of the salaries of current Altamira employees, survey data from Western Management Group (WMG) and www.salary.com, mapping to military salary data, and mapping to comparable government positions. Id. at 003. The Army considered the information Altamira provided, but nonetheless concluded that Altamira's proposed direct labor rates were too low. AR (Altamira), Tab 52, Altamira Final Cost Evaluation, at 13, 21. The evaluators noted that [DELETED] of the 40 base wage rates were more than 5 percent below the labor rates in the independent government cost estimate (IGCE), and upwardly adjusted Altamira's proposed prime contractor rates by $12,479,045. Id. at 21-22.

With respect to the evaluation of the staffing factor, the Army found ManTech's proposal to be outstanding overall, outstanding under the staffing plan subfactor, and good under the transition plan subfactor. AR, Tab 95, ManTech Final Staffing Evaluation, at 001. The evaluators assigned ManTech's proposal five strengths and no weaknesses under the staffing plan subfactor, and two strengths under the transition plan subfactor. Id. at 011. As relevant here, ManTech was assigned a strength under the staffing plan subfactor for its two-deep staffing respository, which identifies at least one additional qualified and validated candidate for every position during ramp-up and for key positions during the life of the contract, and a strength for its global reachback capability of more than 7,200 employees worldwide and more than [DELETED] "cleared" employees across the intelligence community. Id. at 008, 009. With respect to the transition plan subfactor, the evaluators noted that ManTech planned to retain 85 percent of incumbent staff, and seemed to meet the minimum qualifications listed in the PWS, but the evaluators raised a concern that ManTech's lack of familiarity with counterintelligence mission needs increased the criticality of incumbent capture and risk of a negative impact on schedule and performance. Id. at 007, 011. As a result, the evaluators determined that ManTech's proposal presented a low to moderate risk under the subfactor and assigned ManTech a good, rather than outstanding, rating. Id. at 011.

The Army found Booz Allen's proposal to be outstanding under both the staffing plan and transition plan subfactors, and therefore outstanding overall. AR, Tab 76, Booz Allen Final Technical Evaluation, at 010. The evaluators assigned Booz Allen's proposal three strengths and no weaknesses under the staffing plan subfactor, and two strengths and no weaknesses under the transition plan subfactor. Id. Of note, the evaluators assigned Booz Allen's proposal a strength because, as the incumbent, the firm is the only offeror capable of 100 percent staffing from the first day of the contract. Id. at 008.

The Army found Altamira's proposal to be good under both the staffing plan and transition plan subfactors, and therefore good overall. AR (Altamira), Tab 53, Altamira Final Staffing Evaluation, at 001. The evaluators assigned Altamira two strengths under the staffing plan subfactor, and two strengths and one weakness under the transition plan subfactor. Id. at 012-013. One strength was assigned to Altamira's proposal under the transition plan subfactor for proposing a [DELETED] to oversee the transition of the [DELETED] and the technical portions of the PWS. AR (Altamira), Tab 53, Altamira Final Technical Evaluation, at 011. The weakness was assigned because Altamira proposed three [DELETED], each responsible for multiple locations. Id. The evaluators acknowledged that it would be unreasonable to expect every site to have its own [DELETED], particularly for sites with one employee, but decided that it would be unreasonable for one [DELETED] to be responsible for multiple locations with larger numbers of employees. Id.

After evaluating offerors' responses to the evaluation notices, the Army concluded that final proposal revisions were unnecessary. AR, Tab 100, Final Proposal Revision Memorandum, at 1. The final evaluation results were as follows:[4]

	Altamira	Booz Allen	ManTech
Staffing Factor	GOOD	OUTSTANDING	OUTSTANDING
Staffing Plan	Good	Outstanding	Outstanding
Transition Plan	Good	Outstanding	Good
Proposed Cost	$163,003,267	$206,300,683	$133,420,325
Most Probable Cost	$178,602,074	$207,481,559	$145,803,669

AR, Tab 99, Task Order Selection Decision Memorandum, at 1. Booz Allen received the highest adjectival ratings of the six offerors, and Altamira the lowest. Id. The other three offerors were assigned the same adjectival ratings as ManTech; their most probable costs ranged between $164.5 million and $173.2 million. Id.

The task order selection board presented its findings to the source selection authority (SSA), who determined that the proposals of Booz Allen, ManTech, and the other three offerors demonstrated distinct advantages over Altamira's proposal under the staffing factor, and Booz Allen's proposal had a slightly higher rating than ManTech and the other three offerors. Id. at 9-10. In this regard, the SSA noted that Booz Allen's proposal demonstrated two strengths in the transition subfactor that effectively eliminate a transition period. Id. at 9. The SSA found that Altamira's less highly rated proposal had significantly greater total evaluated costs than ManTech, and therefore did not represent the best value to the government. Id. at 15. As between Booz Allen's and ManTech's proposals, the SSA found that Booz Allen's slightly more advantageous proposal provided no basis to pay a 42.3 percent price premium over ManTech's proposal, and selected ManTech's proposal as representing the best value to the government. Id.

After a debriefing, Booz Allen and Altamira protested to our Office.[5]

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[4] Outstanding was defined as indicating an exceptional approach and understanding of the requirements; proposal contains multiple strengths, and risk of unsuccessful performance is low. See, e.g., AR, Tab 76, Booz Allen Final Technical Evaluation, at 007. Good was defined as indicating a thorough approach and understanding of the requirements; proposal contains at least one strength, and risk of unsuccessful performance is low to moderate. Id.

[5] The awarded value of the task order at issue is approximately $145 million. COS at 7. Accordingly, this procurement is within our jurisdiction to hear protests regarding the issuance of task orders under multiple-award, IDIQ contracts. 10 U.S.C. § 2304c(e).

DISCUSSION

Booz Allen and Altamira challenge the Army's cost analysis, allege that the Army treated offerors disparately, and contend that the source selection decision was faulty. Altamira also challenges the weakness assigned to its proposal. Booz Allen argues that the Army failed to provide it meaningful discussions and failed to recognize the weaknesses in ManTech's proposal under the staffing factor. We have considered all of the protesters' arguments, and conclude that none provide a basis to sustain the protest. We discuss several of the protesters' arguments below.

Subcontractor Pricing

Booz Allen argues that ManTech's proposal failed to comply with the solicitation requirements for subcontractor pricing. Booz Allen Comments & Supp. Protest at 4. Booz Allen contends that, although ManTech proposed using 24 subcontractors to perform 48 percent of the work, the awardee did not provide pricing for 22 of its proposed subcontractors, which failed to comply with the RTOP requirement for offerors to submit either a detailed full labor cost buildup for each subcontractor proposed or a commitment by the subcontractor to a fixed ceiling price. Id. at 4-5. Booz Allen also contends that the Army failed to evaluate the realism of ManTech's proposed subcontractor labor rates for the 22 subcontractors. Id. at 15.

The Army states that ManTech complied with the RTOP's requirement to provide pricing for subcontractor direct labor hours. Supp. Memorandum of Law (MOL) at 12. In this regard, the Army states that ManTech's proposal provided pricing for the only two subcontractors to which the offeror allocated direct labor hours to perform the PWS, as required by the RTOP. Id. The Army explains that subcontractor labor that is not proposed to be performed as part of the Army's defined level of effort presents no probable cost to the government. Id. at 15. Therefore, the Army argues that it did not err in its evaluation of ManTech's proposal with respect to subcontractor pricing. Id. at 16.

In reviewing protests of an agency's evaluation and source selection decision, even in a task or delivery order competition as here, we do not reevaluate proposals; rather, we review the record to determine whether the evaluation and source selection decision are reasonable and consistent with the solicitation's evaluation criteria and applicable procurement laws and regulations. American Sys. Corp., B-413952.3, B-413952.4, June 23, 2017, 2017 CPD ¶ 204 at 6-7. A protester's disagreement with the agency's judgment, without more, is not sufficient to establish that an agency acted unreasonably. Engility Corp., B-413120.3 et al., Feb. 14, 2017, 2017 CPD ¶ 70 at 16.

Based on our review of the record here, we cannot conclude that ManTech failed to comply with the terms of the solicitation for subcontractor pricing. The RTOP required offerors to identify the number of hours expected to be worked by subcontractors and include fully burdened subcontractor labor rates for each labor category identified in the pricing matrix. RTOP amend. 4, at 018. The record shows that, although ManTech's proposal identified 24 subcontractors as members of its team, the proposal also clearly stated that only two of the subcontractors were priced against the hours provided in the Army's prescribed level of effort. AR, Tab 42, ManTech's Cost Proposal, at 017, 029. Moreover, ManTech's pricing matrix allocated proposed direct labor hours to itself and the two subcontractors and included applicable labor rates, as required by the RTOP. AR, Tab 43, ManTech's Pricing Matrix. ManTech's proposal did not identify specific labor categories for which it would use the other 22 subcontractors. Instead, ManTech's proposal stated that the offeror would identify opportunities to use the other 22 subcontractors after award, with the expectation that they would be used particularly for surge support. AR, Tab 42, ManTech's Cost Proposal, at 017. Because the RTOP did not provide for submission of labor rates for efforts additional to the level of effort defined in the RTOP--e.g., surge--we find no basis to sustain this protest ground.[6] See Allied Tech. Grp., Inc., B-271302, B-271302.2, July 3, 1996, 96-2 CPD ¶ 4 at 4 (agency reasonably did not include potential subcontractor cost in evaluation of most probable cost where proposals were evaluated based on specified labor mix and level of effort).

Realism of ManTech's Proposed Costs

Booz Allen contends that the Army's cost realism analysis of ManTech's proposal was erroneous. More specifically, Booz Allen argues that the Army failed to assess the realism of ManTech's proposed plan to capture 85 percent of the incumbent personnel and to reconcile ManTech's unrealistically low direct labor rates with its staffing plan, for which ManTech received an outstanding rating. Booz Allen Comments & Supp. Protest at 17-18. In this regard, Booz Allen argues that the Army failed to compare ManTech's proposed labor rates with Booz Allen's incumbent rates, assess how ManTech's low price would affect its ability to retain qualified incumbent personnel, particularly given the low ceiling rates proposed by ManTech's subcontractors, and upwardly adjust ManTech's rates. Id. at 18-19.

The Army states that there is no inconsistency between ManTech's proposed staffing plan, which is to meet the RTOP's minimum requirements and its total evaluated price. Supp. MOL at 25. First, the Army disagrees with Booz Allen's contention that the agency was required to compare offerors' proposed labor rates with Booz Allen's incumbent labor rates, given the lower experience requirements in the PWS for this

[6] Booz Allen contends that ManTech failed to meet the solicitation requirements for surge support pricing because its proposal did not provide pricing for the 22 subcontractors. Booz Allen Comments & Supp. Protest at 13. We find no basis to sustain this protest ground. The solicitation advised offerors that surge hours would be calculated as a percentage of the offeror's total labor price, and did not require--or provide space in the pricing matrix for--offerors to provide separate pricing for surge support. See RTOP amend. 4, at 019; AR, Tab 23, Pricing Matrix. Because the RTOP did not provide for identification of labor categories for surge pricing, Booz Allen has not demonstrated any error with respect to surge pricing.

requirement as compared to the incumbent requirement. Id. at 24. The Army states that it compared ManTech's labor rates with the IGCE for the requirement, and adjusted upwardly where necessary, but found that ManTech's proposed staffing plan was consistent with the RTOP's minimum requirements. Id. at 25. The agency also states that the evaluators noted the risks inherent in ManTech's proposed approach, and assigned ManTech's proposal a good rating rather than an outstanding rating under the transition plan subfactor in recognition of the risk. Id. The agency also states that ManTech was not given a strength for its intent to capture 85 percent of incumbent staff, but instead was assigned a strength for its two-deep staffing repository. Supp. COS at 6, 9.

When an agency evaluates a proposal for the award of a cost-reimbursement contract or task order, an offeror's costs are not dispositive because, regardless of the costs proposed, the government is bound to pay the contractor its actual and allowable costs. Federal Acquisition Regulation (FAR) § 15.305(a)(1); Exelis Sys. Corp., B-407673 et al., Jan. 22, 2013, 2013 CPD ¶ 54 at 7 (considering FAR part 15 cost realism standards in a FAR part 16 task order procurement). Consequently, an agency must perform a cost realism analysis to determine the extent to which an offeror's proposed costs are realistic for the work to be performed. FAR § 15.404-1(d)(1); Solers Inc., B-409079, B-409079.2, Jan. 27, 2014, 2014 CPD ¶ 74 at 4. An agency's cost realism analysis need not achieve scientific certainty; rather, the methodology employed must be reasonable and realistic in view of other cost information reasonably available to the agency as of the time of its evaluation. Target Media Mid Atlantic, Inc., B-412468.8, June 27, 2017, 2017 CPD ¶ 208 at 5. Additionally, an agency's cost realism analysis requires the exercise of informed judgment, and we review an agency's judgment in this area only to see that the cost realism analysis was reasonably based and not arbitrary. Smartronix, Inc.; ManTech Adv. Sys. Int'l, Inc., B-411970 et al., Nov. 25, 2015, 2015 CPD ¶ 373 at 5-6.

Booz Allen has not demonstrated that the agency's judgment was unreasonable. ManTech's proposal recognized that the lowest-risk staffing approach was to maximize incumbent capture, and stated an intention to retain all high performers identified in collaboration with the contracting officer, the contracting officer's representative, and other stakeholders. AR, Tab 41, ManTech's Staffing Proposal, at 013, 017-018. ManTech's proposal also stated that it planned to staff with a mix of incumbent and non-incumbent personnel and would mitigate the risk of failing to capture incumbent staff through its two-deep staffing repository and other strategies. Id. at 013, 017, 035.

The Army evaluators recognized ManTech's intent to capture 85 percent of incumbent staff, but the record shows that the Army did not rely on that feature of ManTech's proposal. AR, Tab 95, ManTech Final Staffing Evaluation, at 011. In this regard, the evaluators assigned strengths to ManTech's proposal for its two-deep staffing repository, ability to rapidly respond to staffing shortfalls, and global reachback capability of 7,200 employees worldwide and more than [DELETED] employees with security clearances. Id. at 008-009. With respect to ManTech's proposed direct labor rates, the Army compared ManTech's labor rates with its IGCE and upwardly adjusted those rates that ManTech did not adequately support. AR, Tab 94, ManTech Final Cost Evaluation, at 22. In light of ManTech's intention to use a mix of incumbent and non-incumbent staff, the Army's recognition of ManTech's resources for staffing the requirement, and the lower experience and education requirements compared to the incumbent contract, we find unobjectionable the Army's cost realism analysis.[7] See, e.g., HP Enters. Servs., LLC, B-410212.2, Jan. 26, 2015, 2015 CPD ¶ 54 at 9; Science Applications Int'l Corp., B-406460, B-406460.2, June 7, 2012, 2012 CPD ¶ 181 at 4.

Realism of Altamira's Proposed Costs

Altamira argues that the Army's evaluation of its cost proposal was unreasonable. Altamira contends that the Army failed to consider the supporting documentation for its labor rates provided in response to the ENs. Altamira Protest at 12; Altamira Comments & Supp. Protest at 10. Altamira also contends that the Army engaged in unequal treatment by upwardly adjusting some of its proposed direct labor rates after concluding the rates were unrealistically low, while accepting ManTech's lower subcontractor labor rates for the same labor categories and locations. Altamira Comments & Supp. Protest at 11-12.

The Army states that it evaluated Altamira's direct labor rates against the IGCE, which it developed using market research from eight sources, such as the Bureau of Labor Statistics, www.salary.com, and historical data. COS (Altamira) at 9-10. The contracting officer states that the cost evaluators did not accept Altamira's support for its proposed direct labor rates for several reasons. For example, Altamira proposed labor rates for research analysts that were below the 25th percentile on the WMG salary survey provided by Altamira as support for its rates. Id. at 12. In addition, with respect to the labor rates Altamira proposed for the Washington, D.C. area,[8] the WMG survey data for the mid-Atlantic region, to which Altamira cited as support for its labor rates, aggregated data from several states, including West Virginia and South Carolina. Id. the Army explains that because salaries are lower in these two states than in the Washington, D.C. area, the WMG salary data for the mid-Atlantic region is not comparable to the salaries for the Washington, D.C. area. Id. In this regard, the Army

[7] Booz Allen also argues that the Army failed to consider whether ManTech's two subcontractors can actually perform [DELETED] percent of the work, as proposed. Booz Allen Comments & Supp. Protest at 16-17. We dismiss this protest ground. The determination that a bidder or offeror is capable of performing a contract is a matter largely committed to the contracting officer's discretion. Accordingly, our Office will not consider a protest challenging an affirmative determination of responsibility, absent exceptions not alleged here. Bid Protest Regulations, 4 C.F.R. § 21.5(c); Halfaker & Assocs., LLC, B-407919, B-407919.2, Apr. 10, 2013, 2013 CPD ¶ 98 at 7 n.4.

[8] The Washington, D.C. area locations were Ft. Meade, Ft. Belvoir, Arlington, Chantilly, Linthicum, and Aberdeen Proving Grounds. The RTOP identified 192 out of 223 full-time equivalents (FTEs) for the Washington, D.C. area. See AR, Tab 23, Pricing Matrix.

states that the Bureau of Labor Statistics shows that salaries in the Washington, D.C. area are 39 percent higher than national or mid-Atlantic salary averages. Id.

The contracting officer also states that Altamira incorrectly mapped to certain labor categories in the www.salary.com survey. The contracting officer states that Altamira compared many of its research analyst proposed labor rates to business intelligence and market research analyst salaries in the survey; however, the position descriptions and years of experience in the salary survey do not match the RTOP descriptions and experience requirements. Id. For example, the contracting officer states that the business intelligence specialist II and market research analyst II positions in the www.salary.com survey have 2-4 years of experience, but the research analyst II position in the PWS requires a Bachelor's degree and/or 4 years of intelligence analyst experience, at a minimum. Id.; AR, Tab 17, PWS, at 97.

With respect to ManTech's proposed subcontractor labor rates for many of those same positions, which are in some instances lower than Altamira's labor rates, the Army states that the fixed ceiling prices to which ManTech's subcontractors agreed protects the agency from unforeseen and excessive labor costs, and therefore are not comparable to Altamira's cost-plus-fixed-fee labor rates. Supp. COS (Altamira) at 4. In this regard, the contracting officer states that the Army acted consistently and fairly when it treated Altamira's subcontractor fixed ceiling rates in the same manner as ManTech's. Id. at 5.

The record demonstrates that the Army's evaluation of Altamira's labor rates was reasonable. Of the [DELETED] labor rates that the Army questioned as being unrealistic, [DELETED] labor rates were at or below the 25th percentile in the WMG salary survey data that Altamira provided.[9] See AR (Altamira), Tab 43, Altamira's Response to ENs, at 012-015. Therefore, the Army reasonably could question whether Altamira would be able to recruit and retain personnel at those labor rates and adjust the rates upward. Of the [DELETED] questioned labor rates for positions in the Washington, D.C. area, [DELETED] were at or below the 50th percentile. Id. In light of the agency's representation that labor rates in the Washington, D.C. area are 39 percent higher than in the survey data for the mid-Atlantic or nationwide, the protester has not demonstrated that the Army erred in questioning the realism of the proposed labor rates and adjusting them upward. Similarly, Altamira provides no basis to question the Army's judgment with respect to the remaining labor rates.[10]

[9] Only [DELETED] labor rates were above the 75th percentile in the salary survey. AR (Altamira), Tab 43, Altamira's Response to ENs, at 012-015.

[10] Altamira argues that the contemporaneous record is devoid of any indication that the Army considered Altamira's supporting documentation for its labor rates provided in response to the ENs, and urges our Office to reject the contracting officer's explanation. Altamira Comments & Supp. Protest at 10. In reviewing an agency's evaluation, we do not limit our consideration to contemporaneously-documented evidence, but instead consider all the information provided, including the parties' arguments, explanations,

(continued...)

Turning to Altamira's argument that the Army treated the offerors unequally by accepting the lower labor rates for ManTech's subcontractors but adjusting Altamira's prime contractor rates upward, we find no basis to sustain the protest. First, as discussed above, the Army found Altamira's support for its labor rates to be unconvincing. Second, the protester is comparing the agency's treatment of cost-reimbursable prime contractor labor rates with subcontractor fixed ceiling rates that were to be added to the resulting task order and to which the risk and responsibility for task order costs would be on the prime contractor. See RTOP amend. 4, at 017, 019. In addition, for subcontractors proposing fixed ceiling rates, the solicitation waived the requirement to provide a detailed cost build-up of proposed fully burdened labor rates. Id. at 018. Instead, the RTOP required offerors to explain within its cost narrative how the proposed fixed ceiling rates were determined to be reasonable and realistic. Id. at 019.

During discussions, the Army questioned ManTech's price analysis and, after ManTech adjusted its analysis,[11] accepted the subcontractor labor rates because the rates were between the maximum and minimum loaded price range calculated by ManTech and because of the fixed-price nature of the subcontractor rates. AR, Tab 94, ManTech

(...continued)
and any hearing testimony. Remington Arms Co., Inc., B-297374, B-297374.2, Jan. 12, 2006, 2006 CPD ¶ 32 at 10. While we accord greater weight to contemporaneous source selection materials as opposed to judgments made in response to protest contentions, post-protest explanations that provide a detailed rationale for contemporaneous conclusions, and simply fill in previously unrecorded details, will generally be considered in our review of the rationality of selection decisions--so long as those explanations are credible and consistent with the contemporaneous record. AllWorld Language Consultants, Inc., B-414244, B-414244.2, Apr. 3, 2017, 2017 CPD ¶ 111 at 4 n.3. Here, although we recognize that the evaluation record does not detail how the agency evaluated Altamira's supporting documentation and simply reflects the conclusion that the evaluator "still felt the costs were too low," AR (Altamira), Tab 52, Altamira Final Cost Evaluation, at 21, we view the contracting officer's explanation as filling in the rationale for the agency's contemporaneous conclusion that Altamira failed to support the realism of some of its proposed labor rates. As discussed above, we find no basis to question the Army's judgment.

[11] ManTech's price analysis involved comparing the subcontractor labor rates to a loaded labor rate range. ManTech calculated a minimum and maximum compensation rate range of [DELETED] percent lower and higher than its own direct labor estimates, then applied minimum and maximum load factors to the compensation rate ranges to determine the acceptable range. If the subcontractor's fully burdened labor rate fell between the minimum and maximum loaded rate range, ManTech considered the labor rate to be reasonable. AR, Tab 94, ManTech Final Cost Evaluation, at 7; Tab 42, ManTech Cost Proposal, at 030.

Final Cost Evaluation, at 18. Additionally, the Army requested a labor rate build-up for one of ManTech's proposed subcontractors. AR, Tab 80, ManTech Cost EN 003, at 2. The subcontractor submitted a document that explained that direct labor rates were taken from the current industry average for each position, evaluated by area, and selected using the median salary margin. AR, Tab 93, ManTech Subcontractor Rate Explanation. The Army reviewed the information and found the subcontractor's cost build-ups were in line with the proposed fully burdened labor rates. AR, Tab 94, ManTech Final Cost Evaluation, at 19. The Army also requested a labor rate build-up for Altamira's subcontractors because the rates were lower than the IGCE, and after reviewing the information, accepted the proposed subcontractor labor rates. AR (Altamira), Tab 52, Altamira Final Cost Evaluation, at 22. Accordingly, on this record we find no basis to conclude that the agency treated offerors disparately. See The Boeing Co., B-409941, B-409941.2, Sept. 18, 2014, 2014 CPD ¶ 290 at 8-9 (holding that an agency's upward adjustment of the protester's proposed costs, but not the awardee's cost, was not disparate treatment because the agency reasonably evaluated each offeror's proposals based on their individual costs and technical approaches).

Meaningful Discussions

Booz Allen contends that the Army failed to provide it with meaningful discussions with respect to its overhead rates. Booz Allen argues that the SSA's determination that there was no basis to pay a price premium of 42.3 percent effectively rendered Booz Allen's proposal to be non-competitive. Booz Allen Comments & Supp. Protest at 34. Booz Allen further argues that because the agency indicated that the price differential between Booz Allen's and ManTech's most probable cost was primarily attributable to Booz Allen's higher overhead rates, the Army was required to raise the issue of its overhead rates in discussions. Id. Booz Allen contends that it would have lowered its overhead rates had the agency advised Booz Allen of its concerns about the overhead rates. Booz Allen Supp. Comments at 45.

The Army states that it did not have grounds to question Booz Allen's overhead rates because they were consistent with Booz Allen's agreement with the Defense Contract Management Agency for its forward pricing rates. Supp. COS at 12. The Army also states that a large business cannot arbitrarily reduce its indirect rates without first reducing its pool of expenses or increasing its allocation base. Id. In addition, the agency states that even if Booz Allen were to arbitrarily reduce its proposed indirect rates, the Army would still be liable for paying all allocable indirect costs, which would be in line with Booz Allen's forward pricing rate proposal or agreement with the Defense Contract Management Agency. Id.

Part 15 of the FAR requires that the discussions be "meaningful," that is, sufficiently detailed so as to lead an offeror into the areas of its proposal requiring amplification or revision in a manner to materially enhance the offeror's potential for receiving the award. FAR § 15.306(d); Bank of Am., B-287608, B-287608.2, July 26, 2001, 2001 CPD ¶ 137 at 10-11. However, the regulations concerning discussions under FAR part 15, which pertain to negotiated procurements, do not, as a general rule govern task and delivery order competitions conducted under FAR part 16, such as the procurement here. Raytheon Co., Space & Airborne Sys., B-411631, Sept. 16, 2015, 2015 CPD ¶ 361 at 6. In this regard, FAR § 16.505 does not establish specific requirements for discussions in a task order competition; nonetheless, we have explained that exchanges in that context must be fair and not misleading. Id.

The protester has not demonstrated that the Army unreasonably failed to raise in discussions Booz Allen's overhead rates. The record shows that the evaluators concluded that Booz Allen's proposed overhead rates were realistic and reasonable based on the forward pricing rate recommendation that the offeror submitted to the Defense Contract Management Agency. AR, Tab 75, Booz Allen Final Cost Evaluation, at 14-15. Thus, as the Army did not consider the protester's overhead rates to be unreasonable, the agency was under no obligation to advise Booz Allen that its overhead rates contributed to a most probable cost that was higher than the other offerors. See, e.g., MicroTechnologies, LLC, B-413091, B-413091.2, Aug. 11, 2016, 2016 CPD ¶ 219 at 15 (where prices were found to be reasonable, agency is not required to inform offeror that its prices are higher than awardee); AT&T Gov't Solutions, Inc., B-413012, B-413012.2, July 28, 2016, 2016 CPD ¶ 237 at 26 (agency reasonably may conduct discussions without advising the offeror that its price or cost is not competitive if an offeror's price or cost is not so high as to be unreasonable and unacceptable for contract award).

Assigned Weakness

Finally, Altamira argues that the Army unreasonably assigned its proposal a weakness under the transition plan subfactor for proposing three [DELETED] to oversee its transition efforts. Altamira Protest at 13. Altamira asserts that transition risk does not increase as a result of having one [DELETED] for multiple locations. Altamira Comments & Supp. Protest at 20. Altamira also asserts that this weakness is inconsistent with the Army's assignment of a strength to its proposal for providing a [DELETED] to oversee the transition of technical portions of the PWS. Id.

Based on the record before us, we conclude that the agency's assignment of a weakness to Altamira's proposal under the transition plan subfactor was reasonable. The evaluators recognized that it was unreasonable to expect the offeror to provide a [DELETED] for every site, but concluded that it was equally unreasonable to believe that one [DELETED] would be sufficient for multiple locations with larger numbers of employees. AR (Altamira), Tab 53, Altamira Final Technical Evaluation, at 011. For example, Altamira's proposal identified [DELETED] as the [DELETED] for Fort Meade, Linthicum, and Aberdeen Proving Grounds, Maryland. AR (Altamira), Tab 28, Altamira's Staffing Factor Proposal, at 023. However, the RTOP requires 155 FTEs at Fort Meade, four FTEs at Linthicum, and one FTE at Aberdeen. AR, Tab 23, Pricing Matrix. Under these circumstances--where the [DELETED] would be responsible for a large number of people at one location--the protester has not demonstrated that the Army unreasonably assigned a weakness for Altamira proposing that the [DELETED] be responsible for two additional locations.

Similarly, Altamira has not demonstrated that the assessment of the weakness was inconsistent with the assignment of a strength to its proposal. The strength assigned to Altamira's proposal addressed its proposing a [DELETED] to oversee the transition of the [DELETED], and the technical portions of the PWS. AR (Altamira), Tab 53, Altamira Final Technical Evaluation, at 011. Altamira's proposal indicates that these individuals are not the same individuals identified as [DELETED]. See AR (Altamira), Tab 28, Altamira's Staffing Factor Proposal, at 023, 026. As such, we see no basis to conclude that the weakness was inconsistent with the strength assigned to Altamira's proposal.

The protests are denied.

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