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# Decision

**Matter of:** Advanced C4 Solutions, Inc.

**File:** B-416250.2; B-416250.3; B-416250.4

**Date:** October 2, 2018

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Joseph M. Goldstein, Esq., and Andrew E. Schwartz, Esq., Shutts & Bowen LLP, for the protester.

John R. Tolle, Esq., and H. Todd Whay, Esq., Baker, Cronogue, Tolle & Werfel, LLP, for VISTA Technology Services, Inc., the intervenor.

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Paula J. Haurilesko, Esq., and Laura Eyester, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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## DIGEST

1. Protest that the agency failed to consider the risk of the awardee's low price in evaluating the awardee's technical proposal is dismissed, where the solicitation did not provide for price realism analysis.
  2. Protest that the agency unreasonably considered the awardee's proposed non-significant subcontractor is denied, where the solicitation did not expressly prohibit such consideration.
  3. Protest that the source selection authority failed to comply with the terms of the solicitation in conducting the best-value tradeoff analysis is denied, where the record shows that the tradeoff analysis was reasonable and consistent with the terms of the solicitation.
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## DECISION

Advanced C4 Solutions, Inc. (AC4S), of Tampa, Florida, a small business, protests the award of a contract to VISTA Technology Services, Inc., of McLean, Virginia, also a small business, under request for proposals (RFP) No. HM0476-17-R-0023, issued by the National Geospatial-Intelligence Agency (NGA) for expeditionary support services. AC4S challenges the evaluation of VISTA's proposal and the best-value tradeoff decision.

We deny the protest.

## BACKGROUND

The RFP, issued as a small business set-aside on December 8, 2017, provided for the award of a time-and-materials contract for logistical support services in the continental United States (CONUS), outside the continental United States (OCONUS), and in austere conditions. Agency Report (AR), Tab A.2.c, Statement of Work (SOW), at 4. These services include standard logistical and operations and maintenance (O&M) support services, contingency/emerging logistical and O&M support services, crisis/contingency support, and facility/compound O&M support.<sup>1</sup> Id. The RFP contemplated a period of performance of one base year and four option years. AR, Tab A.5, RFP, amend. 4, at 16.

The RFP stated that contract award would be made on a best-value tradeoff basis, considering technical/management, past performance, security, and price. Id. at 17. The RFP also stated that the technical/management factor was slightly more important than past performance, and the two evaluation factors, when combined, were significantly more important than price.<sup>2</sup> Id. The RFP informed offerors that risk would be considered in evaluating the technical/management and past performance factors. Id. at 18.

The technical/management factor consisted of three subfactors (in descending order of importance): expeditionary support services, appropriately proposed personnel, and program control. Id. at 17. The RFP stated that the expeditionary support services subfactor was to be evaluated using three standards.<sup>3</sup> Id. at 21. As relevant here, the solicitation stated that the ability to process and provide cleared staff standard is met when the offeror has:

- Described a clear, comprehensive approach toward recruiting, scheduling, and retaining personnel to ensure standard positions remain filled and that new requirements or contingency support can be responsively accomplished and which recognizes constraints imposed by theater clearance requirements (training, medical, and notification); and

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<sup>1</sup> Logistical support includes planning, transportation, supply, warehouse, armory, facility, maintenance, escort, asset management/property accountability, fuel, billeting, vehicle maintenance, and food services. AR, Tab A.2.c, SOW, at 4. Facility/compound O&M support includes electrical distribution; fire detection and alarm; voice broadcasting; plumbing; heating, ventilation, and air conditioning; power generation; uninterruptible power supply; and chillers. Id. at 4-5.

<sup>2</sup> The security factor was evaluated on a pass/fail basis. RFP amend. 4, at 17.

<sup>3</sup> The standards are: (1) ability to process and provide cleared staff; (2) execute and manage procurement processes; and (3) process for providing logistics and compound O&M Services. RFP amend. 4, at 21.

- Demonstrated a clear understanding of the challenges, and approaches to overcoming the challenges, of onboarding new/replacement personnel into the expeditionary environment, to include local command directives, local laws, and NGA processes.

Id.

With respect to the past performance factor, the RFP instructed offerors to provide up to five relevant and recent contract references. Id. at 11. The RFP further stated that the prime contractor and each significant subcontractor must submit at least one reference. Id. The RFP defined a significant subcontractor as one that is expected to perform 25 percent or more of the total labor. Id. The RFP stated that the past performance evaluation would consider “the Offeror’s, or team members’ record of customer satisfaction, quality of services provided, adherence to the terms and conditions of its contracts, including the technical, business and administrative aspects of performance to include adherence to applicable laws and regulations.” Id. at 23. Offerors would receive an overall rating of substantial confidence, satisfactory confidence, neutral confidence, limited confidence or no confidence.<sup>4</sup> Id. at 20.

The RFP required offerors to complete a pricing template that included fixed hourly labor rates for each labor category and skill level. Id. at 14. The RFP also required offerors to provide a fully-burdened rate for each labor category and contract period for standard and expeditionary rates. Id. The RFP stated that price would be evaluated for completeness and reasonableness in accordance with Federal Acquisition Regulation (FAR) § 15.404-1. Id. at 25.

NGA received five proposals in response to the solicitation; three proposals were included in the competitive range, including AC4S’s and VISTA’s. AR, Tab F.1, Source Selection Decision Document (SSDD), at 2.

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<sup>4</sup> As relevant here, a rating of satisfactory confidence meant that, based on the offeror’s recent and relevant performance record, the government has a reasonable expectation that the offeror will successfully perform. RFP, amend. 4, at 20.

After discussions and evaluation of revised proposals, NGA assigned the following ratings:

	AC4S	VISTA
<b>Technical/Management</b>	OUTSTANDING	GOOD
<b>Expeditionary Support Services</b>	Outstanding	Outstanding
<b>Appropriately Proposed Personnel</b>	Outstanding	Outstanding
<b>Program Control</b>	Good	Acceptable
<b>Past Performance</b>	SUBSTANTIAL CONFIDENCE	SATISFACTORY CONFIDENCE
<b>Security</b>	PASS	PASS
<b>Price</b>	\$67,998,660	\$57,228,551

Id. at 3, 8.

The source selection authority's (SSA) decision included a summary of the strengths and weaknesses of the offerors' proposals. See id. at 3-7. With respect to the technical/management factor, the SSA noted that the two offerors received outstanding ratings and were not assigned any weaknesses for the two most important subfactors, had an exceptional approach and understanding of the requirements, and proposed 14 personnel (out of 19) who exceeded the minimum requirements. Id. at 8. With respect to the program control subfactor, the SSA noted that AC4S proposed a program manager that was co-located and in daily contact with the contracting officer's representative, which reduced the risk of unsuccessful performance and resulted in a strength assigned to AC4S's proposal. Id. In comparison, the SSA noted that VISTA met the standards for the program control subfactor, but did not exceed the standards and therefore was assigned an acceptable rating for the subfactor. Id.

With respect to past performance, the SSA noted that AC4S demonstrated recent and very relevant experience in performing both logistics and compound O&M services and was assessed a very high level of quality, resulting in a substantial confidence rating. Id. In comparison, the SSA noted that VISTA demonstrated recent and relevant experience performing logistics services with a limited scope of experience in compound O&M services; this limited relevant O&M past performance resulted in a satisfactory confidence rating. Id.

The SSA acknowledged that AC4S was rated higher than VISTA under both the technical/management and past performance factors, but also recognized that AC4S's proposal was \$10,770,109, or 18.8 percent, higher than VISTA's. Id. at 9. The SSA noted that the difference in ratings under the technical/management factor resulted from the least important subfactor. Id. The SSA acknowledged AC4S's very relevant, high

quality past performance, but noted that VISTA also showed high quality past performance, albeit with a limited scope of experience for compound O&M. Id. The SSA concluded that the differences between AC4S's and VISTA's proposals did not justify AC4S's substantially higher price, and selected VISTA for award. Id.

After a debriefing, AC4S protested to our Office.

## DISCUSSION

AC4S challenges NGA's evaluation of VISTA's proposal under the technical/management and past performance factors, arguing that the agency failed to comply with the terms of the solicitation. The protester also raises multiple challenges to the SSA's best-value tradeoff analysis and award determination. We have considered all of AC4S's arguments, and although we address only the more significant arguments below, we find that none of them provide a basis to sustain the protest.

### Challenge to Evaluation Under Technical/Management Factor

AC4S argues that NGA's evaluation of VISTA's proposal under the technical/management factor failed to consider whether VISTA's unrealistically low price creates a risk of poor performance. Protest at 8-11; Comments & Supp. Protest, Aug. 16, 2018, at 20-22. AC4S contends that under the "ability to process and provide cleared staff" standard of the expeditionary support services subfactor, NGA was required to consider whether Vista's low price creates a risk that VISTA will be unable to recruit and retain qualified personnel. Protest at 9. The protester further contends that because the solicitation emphasized the importance of evaluating risk, NGA was required to consider whether VISTA's price was realistic despite the absence of the words "price realism" in the solicitation. Comments & Supp. Protest, Aug. 16, 2018, at 21-22.

NGA explains that the solicitation did not require a price realism analysis and did not contain language implying that the agency would conduct a price realism analysis. Contracting Officer's Statement/Memorandum of Law (COS/MOL) at 17-18. NGA states that the evaluation team evaluated the impact of risk associated with the strengths and weaknesses assessed to proposals before assigning an adjectival rating. Id. at 19.

Where a solicitation, as here, anticipates award of a fixed-price or time-and-materials contract with fully loaded labor rates, the price realism of a proposal is not ordinarily considered, since the risk and responsibility for contract costs is on the contractor. Maxim Healthcare Servs., Inc., B-412967.9, B-412967.11, June 25, 2018, 2018 CPD ¶ 230 at 8. While an agency may conduct a price realism analysis in awarding a fixed-price or time-and-materials contract for the limited purposes of assessing whether an offeror or vendor's low price reflects a lack of technical understanding or risk, vendors or offerors must be advised that the agency will conduct such an analysis. See PricewaterhouseCoopers LLP; IBM U.S. Fed., B-409885 et al., Sept. 5, 2014, 2014 CPD ¶ 289 at 16 n.13. As our Office has explained, in the absence of an express price

realism provision, we will only conclude that a solicitation contemplates a price realism evaluation where the RFP expressly states that the agency will review prices to determine whether they are so low that they reflect a lack of technical understanding, and where the RFP states that a proposal can be rejected for offering low prices. CACI-WGI, Inc., B-408520.2, Dec. 16, 2013, 2013 CPD ¶ 293 at 7.

The RFP did not state that prices would be evaluated for realism, or that the agency would assess whether an offeror's low price reflects a lack of technical understanding or risk. Rather, the RFP limited the price evaluation to completeness and reasonableness. See RFP, amend. 4, at 25-26. To the extent that AC4S contends that the language pertaining to proposal evaluation under the technical/management factor required NGA to conduct a price realism analysis, we disagree. With respect to an offeror's ability to process and provide cleared staff, the RFP indicated that the agency would evaluate the offeror's approach toward recruiting, scheduling, and retaining personnel, and its understanding of the challenges of onboarding new personnel. Id. at 21. In this regard, an agency may not evaluate an offeror's proposed technical approach based on the realism of the proposed prices without expressly advising that such an evaluation will be performed. Alamo City Eng'g Servs., Inc., B-409072, B-409072.2, Jan. 16, 2014, 2014 CPD ¶ 32 at 5. Thus, given that the solicitation did not provide that the agency would conduct a price realism evaluation, would otherwise consider whether prices were unrealistically low, or would consider labor rates or price when evaluating the technical proposals, the agency's alleged failure to do so as part of its evaluation of offerors' proposals under the technical/management factor provides no basis to sustain the protest. See PricewaterhouseCoopers LLP; IBM U.S. Fed., supra (simply requiring that proposed transition plans be realistic did not require the agency to assess whether proposed prices posed a performance risk, nor did it put offerors on notice that the agency would be conducting a price realism analysis).

#### Evaluation of VISTA's Past Performance

AC4S argues that NGA improperly considered the past performance of VISTA's non-significant subcontractor and assigned strengths to VISTA's proposal based on that past performance. Comments & Supp. Protest, Aug. 16, 2018, at 14. NGA states that VISTA's past performance rating of satisfactory confidence was reasonable and consistent with the terms of the solicitation. Supp. COS/MOL, Aug. 23, 2018, at 6. In this regard, NGA states that the RFP did not restrict past performance consideration to significant subcontractors only. Id. The agency also states that AC4S relies on language located in the instruction section of the RFP and ignores the language in the evaluation section. Id.

Our Office has also recognized that, in the absence of any prohibition in the solicitation, an agency may properly evaluate and give weight to the past performance of a proposed subcontractor. Al-Razaq Computing Servs., B-410491, B-410491.2, Jan. 7, 2015, 2015 CPD ¶ 28 at 14. An agency's evaluation of past performance is a matter of discretion which we will not disturb unless the agency's assessments are unreasonable or inconsistent with the solicitation criteria. Computer World Servs. Corp.; CompQSoft,

B-411216 et al., June 17, 2015, 2015 CPD ¶ 184 at 4. Where a protester challenges an agency's past performance evaluation, we will review the evaluation to determine if it was reasonable and consistent with the solicitation's evaluation criteria and procurement statutes and regulations. Delaware Res. Grp. of Okla., LLC, B-408962.3, B-408962.4, Mar. 24, 2014, 2014 CPD ¶ 111 at 10. A protester's disagreement with the agency's evaluation judgments concerning the merits of past performance does not establish that the evaluation was unreasonable. Government Acquisitions, Inc., B-408426, B-408426.2, Sept. 17, 2013, 2013 CPD ¶ 277 at 11.

VISTA provided five past performance references. One reference was for VISTA, serving as a subcontractor and performing logistical support services in both CONUS and OCONUS locations and in austere environments. AR, Tab E.4, VISTA Past Performance Evaluation Report, at 5. A second reference was for VISTA serving as a prime contractor and providing logistics services OCONUS, but on a smaller scale than the current requirement. Id. at 6. A third and fourth reference were for VISTA's significant subcontractor. In one reference, the significant subcontractor provided services which were similar in scope and magnitude, including logistical and compound O&M services in CONUS, OCONUS, and austere environments. Id. at 5-6. For the other reference, the significant subcontractor provided O&M services that were limited in magnitude and scope. Id. at 6. The fifth reference was for a non-significant subcontractor, which performed services of the same scope and magnitude as the current requirement, including logistical support services and compound O&M in OCONUS locations and austere environments. Id.

The agency concluded that all of the references were recent. Id. at 6-7. The agency also concluded that the references VISTA provided for itself were somewhat relevant; the references provided for its significant subcontractor were relevant and somewhat relevant; and the reference provided for the non-significant subcontractor was very relevant. Id. at 7-8. Further, the agency assigned 14 strengths for the quality of VISTA's past performance. Of these 14 strengths, the agency assigned one significant, one major, and one minor strength for the quality of the non-significant subcontractor's reference. Id. at 12, 17-19. Overall, the agency assigned VISTA a satisfactory confidence past performance rating because there was a reasonable expectation that the offeror would successfully perform. Id. at 5.

Here, the record shows that the agency considered all of the references VISTA submitted for its past performance, including the one from its non-significant subcontractor. The record also shows that the solicitation did not prohibit offerors from submitting past performance references for non-significant subcontractors. Section L of the RFP required offerors to submit up to five contract references, and at least one reference for the prime contractor and at least one reference for each significant subcontractor. RFP amend. 4 at 11. Section L did not state that offerors were prohibited from submitting references for non-significant subcontractors. See id. Section M of the RFP stated that the past performance evaluation would consider "the Offeror's, or team members' record of customer satisfaction, quality of services provided, adherence to the terms and conditions of its contracts. . . ." Id. at 23. In the

absence of solicitation language prohibiting consideration of the past performance of nonsignificant subcontractors, we find no basis to object to the agency's consideration of the past performance reference for VISTA's non-significant subcontractor. See Al-Razaq Computing Servs., supra.

Further, based on the recency and relevancy ratings, along with the strengths assigned, and consistent with the past performance evaluation criteria, we find that the agency reasonably assigned VISTA's proposal a satisfactory confidence rating. The protester's disagreement with the agency's assessment, including the consideration of VISTA's non-significant subcontractor reference, does not provide a basis to sustain the protest.

### Best-Value Tradeoff Decision

AC4S challenges various aspects of NGA's best-value tradeoff decision. For example, the protester argues that NGA placed too little emphasis on past performance related to compound O&M work, and that the SSA failed to adequately consider the importance of the technical/management and past performance evaluation factors in relation to price. We have considered these challenges and find no basis to sustain the protest. We address these two representative examples below.

#### Consideration of Past Performance

AC4S argues that the SSA marginalized the significance of the compound O&M work when considering past performance in the tradeoff decision. Comments & Supp. Protest, Aug. 16, 2018, at 17. AC4S contends that because compound O&M work comprises more than 59 percent of VISTA's total price and 42 percent of VISTA's total labor, the SSA should have given VISTA's limited experience with compound O&M work greater consideration in the tradeoff decision. Id. at 18.

NGA states that the basis for the SSA's decision was not based on an improper weighing of compound O&M experience compared to logistics experience. Supp. COS/MOL, Sept. 7, 2018, at 8. NGA explains that the SSA reasonably considered whether AC4S's greater depth of experience with compound O&M work and other features, could justify the \$10.7 million price premium. Id.

In a best-value procurement, such as this one, it is the function of the SSA to perform a price/technical tradeoff to determine whether one proposal's technical superiority is worth a higher price. Centerra Grp., LLC, B-414800, B-414800.2, Sept. 21, 2017, 2017 CPD ¶ 307 at 14. Even where price is the least important evaluation factor, as here, an agency properly may select a lower-priced, lower-rated proposal if the agency reasonably concludes that the price premium involved in selecting a higher-rated, higher-priced proposal is not justified in light of the acceptable level of technical competence available at a lower price. Id. The extent of such tradeoffs is governed only by the test of rationality and consistency with the evaluation criteria. Hillstrom's Aircraft Servs., B-403970.2, Dec. 28, 2010, 2010 CPD ¶ 303 at 5. Thus, a protester's disagreement with an agency's determinations as to the relative merits of competing



proposals or disagreement with its judgment as to which proposal offers the best value to the agency does not establish that the evaluation or source selection was unreasonable. AM Pierce & Assocs. Inc., B-413128, B-413128.2, Aug. 22, 2016, 2016 CPD ¶ 270 at 11.

Based on the record before us, we find that NGA reasonably considered compound O&M in its tradeoff decision. As noted, the agency's past performance evaluation recognized that VISTA's past performance references did not include much compound O&M work, but that VISTA's significant subcontractor performed both logistical support and compound O&M work at locations in the continental United States, OCONUS, and in austere environments. See AR, Tab E.4, VISTA Past Performance Evaluation Report, at 8-11. The evaluation also recognized that VISTA's non-significant subcontractor's past performance reference indicated that the subcontractor performed numerous elements of logistical support and compound O&M work. Id. at 10-11. In the tradeoff analysis, the SSA recognized AC4S's recent and very relevant experience performing both logistics support and compound O&M services with a very high assessment of quality. AR, Tab F.1, SSDD, at 8. In contrast, the SSA noted that VISTA demonstrated recent and relevant experience performing logistics services, but had experience with a limited scope of compound O&M services. Id. The SSA acknowledged that VISTA's work was assessed as high quality, but that the limited, relevant compound O&M past performance led to a satisfactory confidence assessment. Id. Although the protester may disagree with the importance the SSA placed on VISTA's limited compound O&M experience, we find this disagreement provides no basis to sustain the protest.

#### Consideration of Non-Price Factors

Finally, AC4S argues that the SSA failed to combine the technical/management and past performance factors when considering whether the superiority of AC4S's proposal merited the higher price. Comments & Supp. Protest, Aug. 29, 2018, at 2. In this regard, AC4S contends that the SSA's supplemental statement demonstrates that she weighed each evaluation factor individually, rather than in conjunction, against price. Id. at 3. AC4S also argues that the SSA failed to explain why the "real world" advantages of its proposal did not justify the price. Id. at 12.

Source selection officials in negotiated best-value tradeoff procurements have broad discretion in making price/technical tradeoffs, and the extent to which one may be sacrificed for the other is governed only by the tests of rationality and consistency with the solicitation's evaluation criteria. Democracy Int'l, Inc., B-415243, B-415243.2, Dec. 13, 2017, 2018 CPD 293 at 4. Generally, in a negotiated procurement, an agency may properly select a lower-rated, lower-priced proposal where it reasonably concludes that the price premium involved in selecting a higher-rated proposal is not justified in light of the acceptable level of technical competence available at a lower price. DynCorp Int'l, LLC, B-412451, B-412451.2, Feb. 16, 2016, 2016 CPD ¶ 75 at 23. A protester's disagreement with the agency's judgment, without more, does not establish

that the evaluation or source selection was unreasonable. Weber Cafeteria Servs., Inc., B-290085.2, June 17, 2002, 2002 CPD ¶ 99 at 4.

The record does not support the protester's contention. In the selection decision, the SSA acknowledged that AC4S's proposal was rated higher than VISTA's under both the technical/management and past performance factors, and identified aspects of AC4S's proposal that were superior. AR, Tab F.1, SSDD, at 9. In this regard, the SSA recognized that under the least important subfactor of the technical/management factor, AC4S's proposal was superior to VISTA's because it proposed to co-locate a program manager who would be in daily contact with the contracting officer's representative, thus reducing the risk of unsuccessful performance. Id. at 8. With respect to past performance, the SSA recognized that AC4S showed very relevant experience performed at a high quality level for compound O&M services. Id. at 9. The SSA concluded that, even when considering these advantages, AC4S's proposal did not justify a \$10,770,109, or 18.8 percent, price premium. Id. Similarly, the SSA's supplemental statement identified the advantages of AC4S's proposal but again concluded that "the two singular differences (described above) between AC4S and Vista's proposals were and remain insufficient to justify a \$10,770,109 (or 18.8%) price premium." AR, Tab H.1, Decl. of SSA, at 1. Based on this record, we find no basis to object to the agency's selection decision.

The protest is denied.

Thomas H. Armstrong  
General Counsel