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# Decision

**Matter of:** Precision Air, Inc.

**File:** B-416541.2; B-416541.3

**Date:** November 20, 2018

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## DIGEST

1. Protest that agency misevaluated awardee's past performance is denied where, although agency determined that awardee's past performance record was not relevant, agency properly included relevant past performance for awardee's subcontractor and record supported evaluation of awardee's past performance as reasonable.
2. Protest that agency misevaluated protester's and awardee's technical proposals is denied where evaluation was reasonable and consistent with solicitation criteria, and supported tradeoff judgment that protester's slight advantage under technical factor was outweighed by awardee's slight advantage in past performance and its lower price.

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## DECISION

Precision Air, Inc., of Daniel Island, South Carolina, a small business, protests the award of a contract to Lakota Solutions, LLC, of Warner Robbins, Georgia, under request for proposals (RFP) No. FA2486-18-R-0006, issued by the Department of the Air Force for maintenance and support services for the 96th Test Wing at Eglin Air Force Base (AFB), Florida. The protester argues that the Air Force misevaluated the proposals and made an unreasonable source selection decision.<sup>1</sup>

We deny the protest.

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<sup>1</sup> Precision is a subcontractor on the incumbent contract.

## BACKGROUND

The RFP, issued on October 18, 2017, as a small business set-aside for participants in the Small Business Administration's section 8(a) program, sought proposals to provide aerospace ground equipment maintenance and support services for a 6-month base period, six option years, and two 6-month option periods. RFP at 3-30, 43 (incorporating Federal Acquisition Regulation (FAR) clause 52.217-9). The RFP identified the contract type as "Firm Fixed Priced, Cost Plus Fixed Fee, and Cost Reimbursable." Id. at 291 (RFP page L-1, incorporating FAR clause 52.216-1).

The RFP stated that the Air Force anticipated awarding a contract to the offeror whose proposal provided the best value under three factors: past performance, technical, and cost/price. The past performance factor was more important than the technical factor, and those two combined were more important than the cost/price factor. RFP at 316 (Page M-2). The RFP also listed two subfactors under the technical capability factor: management of personnel, and quality control plan. Id. at 317 (page M-3). The technical factor evaluation was to result in the assessment of adjectival ratings of outstanding, good, acceptable, marginal, or unacceptable. Id. at 317-18 (pages M-3 to M-4).

The RFP provided a performance work statement (PWS) that described the tasks to be performed, which corresponded to the fixed-price contract line item numbers (CLIN). Id. at 3-30 (CLINs 0001, 1001, 2001, etc.), 66 (PWS page 9). Generally, the contractor was to provide dispatching, servicing, inspecting, cleaning, corrosion control, modification and maintenance for powered/non-powered Aerospace Ground Equipment (AGE), munitions material handling trailers/components, and other non-AGE equipment. Id. Additionally, the contractor was to operate certain specialized equipment including, as relevant to the protest, operating and maintaining a paint booth in support of corrosion control. Id.

The RFP directed offerors to provide a clear, concise, and sufficiently detailed proposal but without elaborate brochures or documentation. Id. at 292 (page L-2). Under the technical approach factor, the RFP requested an overview of the offeror's general approach to performance of the PWS and then separate sections addressing the management of personnel subfactor and the quality control plan subfactor. Under the management of personnel subfactor, each offeror was to explain its technical approach to performing AGE maintenance, including its ability to manage a qualified and capable workforce to perform the work. Id. at 297 (page L-7). Each offeror was required to submit its organizational structure and reporting chain, a resume for its general manager, a matrix showing staffing levels, a training plan, a plan to fully staff essential positions at the start of the contract, a plan for proving employee qualifications and certifications, a plan to manage a potential labor strike, and a contingency plan. Id. Under the quality control plan subfactor, each offeror was directed to submit a plan for "a detailed level of dedicated inspectors experienced in AGE maintenance services," that included inspectors having formal experience, inspectors available at all normal hours of operation, plans to implement a self-inspection program, and plans to conduct root-cause analyses and to implement corrections. Id. at 298 (page L-8). Staffing

levels were to depict staffing only for the scope of work depicted in the PWS for the fixed-price CLINs. Id. at 318-19 (pages M-4 to M-5).

For the past performance factor, the RFP requested information about the offeror's recent and relevant contracts or task orders. The RFP permitted offerors to submit up to five active or completed contracts or task orders for each prime contractor, team partner, and joint venture partner, and up to three for each subcontractor. Id. at 301-02 (pages L-11 to L-12).

With respect to the cost/price factor, the RFP required offerors to propose a fixed price for two fixed-price CLINs for the base period,<sup>2</sup> and one fixed-price CLIN for each option period. RFP at 3-30. Although the RFP also provided CLINs for the cost-reimbursement requirements, offerors were directed not to provide any price or cost for any of the cost-reimbursement CLINs; instead, the agency substituted a fixed amount (or "plug number") in place of each of the cost-reimbursable CLINs for each option period, totaling approximately \$1 million per year. Id. at 3-30, 300 (page L-10). The price/cost factor description stated that the agency would total all CLINs for the purpose of evaluation.<sup>3</sup> Id. at 320 (page M-6).

The Air Force received proposals from six firms, including Precision and Lakota. After the initial evaluation, the agency established a competitive range of two offerors (Precision and Lakota), held discussions with both offerors, and requested final proposal revisions (FPR).

The Air Force received and evaluated FPRs and assigned a "combined technical/risk rating" under the technical approach factor, which the RFP described as follows: blue/outstanding (low performance risk), purple/good (low to moderate risk), green/acceptable ("no worse than moderate" risk), yellow/marginal (high risk), to red/unacceptable (unacceptable risk). RFP at 317-18 (pages M-3 to M-4). After reviewing the initial evaluation, the source selection authority (SSA) selected Lakota's proposal for award. Precision Air filed a protest with our Office challenging both the evaluation and the agency's source selection rationale. However, we dismissed that protest as academic after the Air Force announced that it would take corrective action by reevaluating the proposals and making a new source selection decision.

The reevaluation was performed by a source selection evaluation board (SSEB) and produced the following evaluation results:

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<sup>2</sup> The base period included two CLINs not found in the option periods, which were a fixed-price CLIN for a 30-day transition, and a "not separately priced" CLIN to supply data as specified in a contract data requirements list. Id. at 6, 55-56.

<sup>3</sup> Since, as noted, the offerors were not to propose costs for the reimbursable CLINs, the price/cost evaluation was effectively a comparison of only the fixed-price CLINs.

	Precision	Lakota
<b>Past Performance</b>	Substantial Confidence	Substantial Confidence
<b>Technical Approach</b>	Green/Acceptable	Green/Acceptable
<b>Cost/Price</b>	\$35.1 million	\$30.9 million

AR Tab 9, SSEB Briefing, at 28, 45, 47.

After considering the results of the reevaluation, the SSA concluded that Lakota had a slight advantage under the past performance factor, Precision had a slight advantage under the technical factor, and Lakota's price was over \$4.1 million lower than Precision's. AR Tab 11, Source Selection Decision Document (SSDD), at 10. The SSA reasoned that the additional technical risk presented by selecting Lakota was outweighed by the firm's slightly better past performance and significant price savings and, on that basis, the SSA selected Lakota's proposal for award. *Id.* Following a debriefing, Precision filed this protest.

## PROTEST

Precision argues that the Air Force misevaluated Lakota's past performance and proposed technical approach--particularly its lower staffing level--and also misevaluated Precision's technical proposal, all of which resulted in an unreasonable best-value tradeoff decision.<sup>4</sup>

### Dismissal and Supplemental Protest

As an initial matter, the Air Force argues that the protest should be dismissed because Precision lacked a sufficient factual basis in its initial protest to challenge the evaluation of Lakota's past performance and technical approach. Precision bases its challenge to the agency's evaluation of Lakota's past performance on information obtained from Lakota's Internet site. We viewed such information as sufficient in the context of the RFP's past performance criteria to raise a valid ground of protest.

However, with respect to Precision's challenge to the technical evaluation of Lakota's proposal, the protest was based only on the awardee's evaluated lower price. We agreed with the Air Force that Precision's argument, based simply on Lakota's lower price, was not a sufficient factual basis to raise a valid challenge to the technical evaluation of Lakota's proposal. Accordingly, we informed the parties that the Air Force was not required to respond to that aspect of Precision's challenge.

Precision's counsel subsequently supplemented the protest with a new challenge to the technical evaluation of Lakota's proposal, based on information obtained from the protest record under the protective order issued by our Office. Although the Air Force

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<sup>4</sup> Precision withdrew an argument that Lakota's pricing was unbalanced. Opposition to Dismissal at 1 n.1.

again argued for dismissal on the basis that Precision's supplemental protest was untimely and piecemeal, we disagreed and the Air Force addressed the allegations in a supplemental agency report.

#### Evaluation of Past Performance

Precision argues that the Air Force unreasonably assessed a rating of substantial confidence to Lakota's proposal despite the firm's lack of relevant past performance on its own, and based Lakota's evaluation on the past performance of its subcontractor. Protest at 11-13; Protester's Comments at 3-4. Additionally, Precision argues that Lakota's subcontractor's past performance was inferior because it was not for the exact same work, and was not rated as highly by its references as Precision's past performance. Id. at 5; Protester's Supplemental Comments at 3. So, Precision argues, by assessing a substantial confidence past performance rating for Lakota, the Air Force failed to reasonably consider the alleged superiority of the past performance of both Precision and its subcontractor for the same work. Protester's Comments at 5; Protester's Supplemental Comments at 2-3.

The Air Force argues that although Lakota itself lacked relevant past performance, the RFP permitted consideration of relevant past performance of a major subcontractor, and advised that major subcontractor past performance would be evaluated alongside the offeror's past performance. Consistent with those RFP provisions, the Air Force argues that it evaluated relevant past performance information for Lakota's subcontractor, and reasonably concluded that Lakota should be rated substantial confidence. Agency Report (AR) at 5, 7-8; RFP at 301-02, 321 (pages L-11 to L-12, M-7).

As a general matter, the evaluation of an offeror's past performance is within the discretion of the contracting agency, and we will not substitute our judgment for reasonably based past performance ratings. Al Raha Group for Tech. Servs., Inc.: Logistics Mgmt. Int'l, Inc., B-411015.2, B-411015.3, Apr. 22, 2015, 2015 CPD ¶ 134 at 5. However, we will question an agency's evaluation conclusions where they are unreasonable or undocumented. Id. The critical question is whether the evaluation was conducted fairly, reasonably, and in accordance with the stated evaluation terms, and whether it is based upon relevant information sufficient to make a reasonable determination of the offeror's overall past performance rating. University Research Co., B-294358.6, B-294358.7, Apr. 20, 2005, 2005 CPD ¶ 83 at 14. The past performance of a proposed subcontractor properly may be considered in evaluating an offeror's past performance where doing so is not expressly prohibited by the solicitation. Armedia, LLC, B-415525 et al., Jan. 10, 2018, 2018 CPD ¶ 26 at 8. And where both a protester and awardee have relevant performance experience, an agency is not required to weight their past performance differently; in other words, we have found no requirement that an agency assess relative relevance. University Research Co., supra, at 19-21.

The record here provides a reasonable basis for the Air Force's rating of substantial confidence for Lakota's past performance. The Air Force assessed three past performance references submitted for Lakota as not relevant, but four references for the firm's subcontractor were assessed as relevant to very relevant. AR Tab 9, Source

Selection Evaluation Board (SSEB) Briefing, at 33-38. Additionally, the Air Force reviewed 10 contractor performance assessment reporting system (CPARS) records, obtained five performance questionnaire responses, and conducted two interviews with performance references. Id. at 39. The SSA also reviewed the most significant aspects of Lakota's past performance record in greater detail. AR Tab 11, SSDD, at 8-9. The SSA noted that the reported performance ratings from CPARS included one marginal rating, but reasoned that it appeared to be an outlier that did not represent the expected performance by Lakota, while all other CPARS reports also indicated that the reference would "hire Lakota again." Id. The SSA also explained that the two very relevant contract references for Lakota stood out because their requirements were similar to the AGE contracts, but were both more complex and required more oversight, so that the successful performance of those contracts engendered "great confidence" that Lakota would successfully perform the Eglin AFB requirements. Id. at 8-9. Accordingly, the SSA confirmed the assessment of Lakota's past performance rating as substantial confidence.<sup>5</sup>

Neither the fact that Lakota's most relevant past performance reference relied on the past performance of its subcontractor,<sup>6</sup> nor the fact that the relied-upon past performance was not for the exact same requirement, undermine the reasonableness of the Air Force's evaluation judgment here. To the contrary, the record reflects that the Air Force identified multiple relevant references for Lakota's subcontractor, including two contracts for very similar but more complex AGE services, and determined that the firm's performance on those contracts had been rated highly. In our view, that record provided an adequate basis for the Air Force to rate Lakota's proposal as substantial confidence under the past performance factor. As a result, notwithstanding Precision's arguments, we conclude that the Air Force reasonably assessed Lakota's past performance including that of its subcontractor, reasonably recognized the differences in the records of both offerors, and reasonably concluded that Lakota's record provided a slight advantage over Precision. Accordingly, the record does not provide a basis to sustain Precision's challenges to the past performance evaluation.

#### Evaluation of Staffing

Precision also challenges the evaluation of both proposals as acceptable under the technical factor, arguing that its own proposal should have been rated higher, and that Lakota's should have been rated lower. In particular, Precision argues that under the

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<sup>5</sup> While the SSA concluded that Precision's performance on the incumbent contract at Eglin AFB merited a rating of substantial confidence, the SSA also explained that Lakota's performance record--particularly the two more complex AGE contracts--meant that the SSA viewed Lakota's past performance to be "slightly better" than Precision's. Id. at 9.

<sup>6</sup> We also note that there appears to be no significant dispute that Lakota's subcontractor was to have a material role in performance of the contract at issue here.

management of personnel subfactor, the agency should have assessed its proposal multiple strengths and a good rating, particularly in light of Precision's "exact number of personnel necessary" staffing level, the experience of its personnel, and its low-risk transition. Protester's Supplemental Comments at 4; Protester's Comments at 6-7. Additionally, Precision argues that the Air Force should have downgraded Lakota's technical proposal due to its proposed lower staffing level. Id. at 9-10. In that regard, Precision notes that Lakota proposed [DELETED] manager than Precision, and [DELETED] paint booth operators, which Precision argues will result in Lakota being unable to perform the associated services--particularly the requirements to increase aircraft availability, and to have the contractor staff the paint booth. Id. Given what Precision argues were significant differences in the firms' approaches, the protester argues that the Air Force could not reasonably assess both firms' technical approaches as acceptable. Id. at 11.

The Air Force argues that it reasonably assessed each firm's proposal individually and, notwithstanding their differences, reasonably evaluated each firm's proposal as acceptable. Supp. AR at 3-4. For Precision, the agency argues that it considered the firm's proposed higher staffing level, but found that the additional managers and paint booth staffing would not provide a benefit to the agency. Id. at 4-6. Similarly, the Air Force argues that the evaluation recognized the smoother transition that Precision could achieve given the performance by both it and its subcontractor on the incumbent contract, as well as the firm's retention of experienced managers from the incumbent contract, but concluded that the corresponding advantages were slight. Id. at 5-6. For Lakota, the agency argues that it considered the lower staffing level proposed by Lakota to be sufficient to perform the fixed-price work under the contract, and thus was reasonably rated acceptable. Supp. Contracting Officer's Statement at 6. Further, the agency notes that the SSA recognized that Precision's proposal presented a slight advantage over Lakota's, and specifically considered the advantage in making the tradeoff decision. Id. at 4-7. Altogether, the agency argues, the technical evaluation was reasonable and consistent with the RFP.

In reviewing protests challenging an agency's evaluation of proposals, our Office does not reevaluate proposals or substitute our judgment for that of the agency; rather, we review the record to determine whether the agency's evaluation was reasonable and consistent with the solicitation's evaluation criteria, as well as applicable statutes and regulations. ManTech Advanced Sys. Int'l., Inc., B-413717, Dec. 16, 2016, 2016 CPD ¶ 370 at 3.

The contemporaneous record indicates that the SSA not only reviewed both offerors' quality control plans and determined that both were equally acceptable, but also assessed the differences in both firms' staffing approaches. AR Tab 11, SSDD, at 6. The SSA also noted that Precision's staffing included a [DELETED] that Lakota's proposal did not, and that Precision proposed [DELETED], while Lakota proposed only

one.<sup>7</sup> Id. The SSA also noted that the agency's plug numbers for cost-reimbursement work (which offerors were instructed not to depict in their staffing) included the cost of six positions. Id. The SSA concluded that Precision's proposed staffing was acceptable, but the firm's additional [DELETED] did not appear to provide any added benefit to the agency, so the assessment of the proposal as acceptable under the technical factor was reasonable. Id. at 7. Similarly, the SSA concluded that the requirements of the fixed-price work could be met without [DELETED], and using Lakota's proposed single paint booth operator also made the firm's proposal acceptable under the technical factor. Id.

Finally, the SSA also noted that a change of contractors would entail some risk through transition, whereas Precision's personnel were "in place and performing well" under the incumbent contract. Id. As a result, the SSA determined that although the firms' technical ratings were both acceptable, Precision's rating should be considered slightly better than Lakota's. Id.

Our review of the record supports the reasonableness of the agency's evaluation under the technical factor. Although Precision maintains that the advantages of its higher staffing level, experience, and incumbency should have been considered significant advantages, the contemporaneous record confirms that the SSA considered all of those aspects of Precision's approach and concluded that they provided no real benefit to the Air Force that could be considered a strength or that would merit a higher evaluation rating. Similarly, the contemporaneous record confirms that the SSA identified and considered the lower staffing level proposed by Lakota, particularly with respect to the paint booth operation, and determined that the proposed staffing provided an acceptable technical approach. Accordingly, we deny Precision's challenges to the technical evaluation of both firms' proposals.

#### Best-Value Tradeoff

Although Precision also challenges the reasonableness of the SSA's tradeoff judgment, its challenges are based on the alleged errors in the evaluation of both firms' proposals. Protest at 19; Protester's Comments at 5. However, as explained above, we conclude that the Air Force performed a reasonable evaluation, and the SSA reasonably considered the differences in the firms' proposals as providing a slight advantage to Precision under the technical factor, and to Lakota under the more important past performance factor. As a result, we see no basis to sustain Precision's challenge to the

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<sup>7</sup> The Air Force emphasizes that RFP amendment 4 indicated that the cost-reimbursement CLINs included three painters, a mechanic, and two equipment cleaners. RFP amend. 4 at 2. As such, Lakota's proposal of one painter would result in staffing of four painters which the agency evaluated as sufficient, whereas Precision's proposal of [DELETED] for the fixed-price scope of work would result in a total of [DELETED], which while acceptable did not provide additional benefit to the Air Force in meeting its requirements. Supplemental AR at 8.

selection of Lakota's proposal based on its slight past performance advantage and what the SSA determined was a significant difference in evaluated price. The tradeoff judgment is adequately documented in the contemporaneous record, and is reasonable and consistent with the award criteria in the RFP.

The protest is denied.

Thomas H. Armstrong  
General Counsel