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Decision

Matter of: Watershed Security, LLC

File: B-417178.4; B-417178.6

Date: July 11, 2019

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DIGEST

Protest that the agency miscalculated protester's and awardee's proposals is denied where record shows that the evaluation was reasonable and consistent with the solicitation.

DECISION

Watershed Security, LLC, a small business of Chesapeake, Virginia, protests the award of a contract to Stratascor, LLC d/b/a/ StratasCorp Technologies, of Virginia Beach, Virginia, by the Department of the Navy, Military Sealift Command (MSC), under request for proposals (RFP) No. N3220518R1015 for command, control, communications, and computers (C4) Afloat Operations and sustainment support. The protester challenges the agency's evaluation under the past performance and technical factors, and argues that the agency's source selection decision was unreasonable.

We deny the protest.

BACKGROUND

The MSC issued the RFP on June 1, 2018, as a small business set-aside to provide C4 support services, in accordance with Federal Acquisition Regulation (FAR) parts 12 and

15, for MSC's Afloat environment and mission. Agency Report (AR), Tab 5, RFP at 4, 54.¹ The solicitation's scope of work includes tasks such as knowledge management, cybersecurity, maintenance and sustainment, modernization, equipment/asset management, MSC network operations centers, and training. Id. The solicitation anticipated the award of a single indefinite-delivery, indefinite-quantity contract with fixed-price task orders, on a best-value tradeoff basis, for a 5-year ordering period, with a \$210,000,000 contract ceiling. Id. at 8, 81, and 89.

The solicitation provided that award would be made to the offeror whose proposal was the most advantageous to the government, price and other factors considered. RFP at 54. The RFP stated that the two non-price factors, technical and past performance, were of equal importance. Id. at 54-55. The technical factor was comprised of three subfactors: organizational experience, staffing plan, and program management plan. Id. at 55. The solicitation provided that the non-price evaluation factors when combined, were significantly more important than price, but also noted that if the evaluation of the non-price factors "approache[d] equality" between proposals, "the importance of price in the evaluation for award [would] increase."² Id. at 54.

As relevant to this protest, under the organizational experience subfactor offerors were instructed to provide specific and relevant information regarding experience examples relevant to C4 support for MSC's Afloat environment and MSC's mission. Id. at 50. Under this subfactor, offerors were to address experience with regard to tasks such as maintenance and sustainment, modernization, equipment/asset management, and MSC Network Operations Centers. Id.

Under the past performance factor, offerors were to provide information on up to five recent government contracts relevant to the effort required under this RFP. Id. at 52. In this regard, the RFP instructed offerors to submit narratives explaining the similarity of these contracts to the requirements here, and the role performed, including whether the offeror acted as a prime contractor or a subcontractor. Id. The agency would evaluate the recency and relevance of the past performance information submitted. Id. The solicitation defined relevant as "a contract that is of similar scope, magnitude, and complexity" to the solicitation requirements. Id. at 52. The solicitation further provided that past performance submissions could include information regarding predecessor

¹ The references to the RFP are to the conformed copy of the solicitation provided by the agency.

² The RFP provided that, in evaluating proposals for the technical factor, the agency would assign adjectival ratings of outstanding, good, acceptable, marginal or unacceptable for each subfactor, which would be rolled up into one overall adjectival rating. RFP at 55. The agency would assign one of the following ratings for past performance: substantial confidence, satisfactory confidence, limited confidence, no confidence, or unknown confidence (neutral). Id. at 57

companies, key personnel who have relevant experience, and subcontractors that would perform major or critical aspects of the requirements. Id. at 52.

The agency received and evaluated proposals from five offerors, including Watershed and Stratascor. Contracting Officer's Statement/ Memorandum of Law (COS/MOL) at 3. The agency determined that Stratascor represented the best value to the government, and made award to that firm on November 21.

Watershed requested and received a debriefing on November 28.³ Watershed then filed a protest with our Office on December 11, arguing that the agency failed to properly evaluate Watershed's past performance and that the agency's tradeoff analysis was unreasonable.

Following the agency's review of Watershed's protest, the agency notified our Office of its intent to take corrective action, and our Office dismissed Watershed's protest as academic. Watershed Security, LLC, B-417178, Dec. 28, 2018 (unpublished decision). In connection with the corrective action, the agency established a new technical evaluation team (TET), re-evaluated all proposals, and made a new source selection decision.⁴ AR, Tab 15, Source Selection Decision Document. The proposals of Watershed and Stratascor were evaluated as follows:

	Stratascor	Watershed
Technical	Outstanding	Outstanding
Organizational Experience	Outstanding	Outstanding
Staffing Plan	Outstanding	Outstanding
Program Management Plan	Good	Good
Past Performance	Substantial Confidence	Satisfactory Confidence
Total Evaluated Price	\$132,271,131	\$155,120,042

COS/MOL at 6. The agency re-affirmed the award to Stratascor. Id.

On March 18, 2019, Watershed was notified of the award decision and requested a debriefing that was provided on March 20. Id. at 5. This protest followed.

³ On November 29, Watershed filed a size protest with the Small Business Administration (SBA) and on April 17, 2019, SBA determined that Stratascor was a small business for the purposes of this procurement. Agency Summary Dismissal Request for Supp. Protest Grounds, Tab B, SBA Size Determination of Stratascor LLC (Apr. 17, 2019) at 3-4.

⁴ The agency conducted a re-evaluation of all of the proposals using a completely new TET, and past performance and price teams, that retained one member and added a new member. COS/MOL at 7.

DISCUSSION

Watershed raises multiple challenges to the agency's evaluation of proposals and its source selection decision. Watershed contends that the agency improperly found one of its past performance references not relevant, and failed to locate and evaluate the contractor's performance assessment report (CPAR) for another of its past performance references. Protest at 9, 11. Watershed also challenges the agency's evaluation of Stratascor's technical proposal, contending that the agency unreasonably assigned Stratascor's proposal an overall technical rating of outstanding even though the agency assigned the firm a weakness under the organizational experience subfactor. Comments & Supp. Protest at 9. The protester also argues that the agency failed to consider the risks associated with the effect of Stratascor's lower price on its planned performance. Id. at 10. Finally, Watershed alleges that the agency's tradeoff analysis was unreasonable. Protest at 11. While we do not address every argument raised by the protester, we have reviewed them all and find that none provide a basis to sustain the protest.⁵

Past Performance Evaluation

The protester contests numerous aspects of the agency's past performance evaluation. We have reviewed the protester's allegations and find nothing objectionable with regard to the agency's assessment of past performance.

An agency's evaluation of past performance, which includes its consideration of the relevance, scope, and significance of an offeror's performance history, is a matter of agency discretion which we will not disturb unless the agency's assessments are unreasonable, inconsistent with the solicitation criteria, or undocumented. Straughan Environmental, Inc., B-411650 et al., Sept. 18, 2015, 2015 CPD ¶ 287 at 11. Since the agency is responsible for defining its needs and the best method for accommodating them, we will not substitute our judgment for reasonably based past performance ratings. See MFM Lamey Group, LLC, B-402377, Mar. 25, 2010, 2010 CPD ¶ 81 at 10.

⁵ For example, the protester alleges that the agency failed to reasonably evaluate Stratascor's proposal under the past performance factor because the agency assigned Stratascor a rating of substantial confidence when the firm did not offer any contract references for which it was the prime contractor. We see no basis to question the agency's evaluation in this area. Protest at 11. The RFP did not limit offerors to references where the offeror was the prime contractor, or state that these references would be assigned greater weight than subcontractor references. RFP at 52. To the extent that Watershed believed that the agency should have only evaluated prime contractor references, or have given these references greater weight, then the protester should have contested this solicitation provision before the receipt of proposals. 4 C.F.R. § 21.2(a)(1).

Watershed first complains that the agency unreasonably determined that Watershed's experience in performing the MSC Ashore Operations contract (hereinafter, the "Ashore contract") was not relevant. Protest at 9; AR, Tab 8, Watershed's Proposal at 24-28.⁶ In this regard, Watershed argues that this contract should have been considered relevant because the Ashore contract included Afloat and Outside the Continental United States (OCONUS) work, and has been added to the scope of the existing Afloat procurement at issue here. Comments and Supp. Protest at 4-5.

The Navy concluded that the Ashore contract was not comparable in scope to the present requirement because "Watershed only provides support to network operating centers ashore, neglecting to show competence on the afloat and OCONUS work." AR, Tab 12, Agency Past Performance Evaluation at 24. The agency also concluded that the Ashore contract was not similar in magnitude to the performance work statement (PWS) because the volume and the dollar amount of the Ashore contract (\$8.19M) was not similar to the solicited requirements. Id.

Based on our review of the record here we are not persuaded that the agency unreasonably concluded that the scope of Watershed's Ashore contract was not relevant. The Ashore contract was primarily for Enterprise Network Operations Connectivity services for MSC information assurance devices, which in turn supported the MSC network operations centers (MNOCs). AR, Tab 8, Watershed's Proposal at 24. While this contract may have contained some aspects of Afloat and OCONUS work, this was not a primary focus of this contract effort. Instead, the record clearly demonstrates differences in the scope of the contract reference and the instant effort, albeit the differences appear less pronounced in some areas than the Navy contends. In addition, the agency also determined that this effort was not similar in terms of magnitude, and we find no basis to question that finding. As a result, we do not agree that the Navy's conclusions here were unreasonable. Moreover, we do not find that the protester was prejudiced by any error in the agency's findings regarding certain Afloat

⁶ The protester also alleges that, because the agency credited it with strengths in its technical proposal for the work performed under this contract, the agency's determination that this contract was not relevant under the past performance factor was unreasonable. The agency responds that the technical and past performance evaluations are two separate and distinct evaluations of different proposal volumes which included different requirements and evaluation criteria, and were conducted by completely separate teams. COS/MOL at 7. Here, we agree with the agency that these two factors were set forth in the RFP as separate and distinct evaluation considerations. BAE Systems Norfolk Ship Repair Inc., B-297879, Mar. 29, 2006, 2006 CPD ¶ 75 at 8-9 (protester's reliance on its past performance rating to challenge its management capability technical evaluation rating was misplaced). Although Watershed disagrees with the agency's judgment, it does not show it to be unreasonable. PiperCoughlin, LLC, B414352.2, Apr. 17, 2018, 2018 CPD ¶ 143 at 4.

and OCONUS work that may have been included within the Ashore contract. Environmental Chemical Corp., B-416166.3 et al., June 12, 2019, 2019 CPD ¶ 217 at 14.

The protester next argues that the agency improperly evaluated Watershed's past performance because it failed to locate and evaluate the CPAR for Watershed's past performance reference of its subcontractor's [DELETED] work for IT support services at the U.S. Naval Education and Training Command (NETC). Protest at 11.

The agency states that in evaluating Watershed's past performance, the Navy found only two of the five contract narratives submitted to be recent and relevant. These two contracts involved Watershed's subcontractor [DELETED] contract regarding MSC Afloat Operations, and [DELETED] contract concerning NETC IT support services, both of which had "exceptional" to "satisfactory" ratings. AR, Tab 12, Past Performance Evaluation at 21 to 24. The agency determined that two relevant past performance submissions were not sufficient to support a rating of "substantial confidence," and, therefore, assigned Watershed a "satisfactory confidence" rating for past performance. COS/MOL at 7.

While Watershed argues that the agency's evaluation of the narrative regarding [DELETED] work for NETC was flawed because the agency failed to locate and evaluate the CPAR for this work, according to the agency, the reason that Watershed was assigned a satisfactory rating for its past performance had nothing to do with these two relevant contracts or the lack of a CPAR for the NETC reference. Rather, the agency assigned Watershed "satisfactory confidence" due to the fact that three of the contracts covered by Watershed's five past performance narratives were determined to be not relevant.⁷ AR, Tab 12, Past Performance Evaluation at 24; COS/MOL at 7. We find the agency's evaluation of this reference and its finding reasonable in this regard.

Technical Evaluation of Stratascor's Proposal

Watershed next challenges the agency's evaluation of Stratascor's technical proposal. The protester contends that the technical evaluation of Stratascor's proposal is insufficient to support an overall technical rating of outstanding. Watershed argues that a weakness assigned to Stratascor's proposal under the organizational experience subfactor relating to Stratascor's lack of experience "managing afloat networks or other C4 systems," is significant because it relates to the procurement at issue, an Afloat network contract involving C4. AR, Tab 11, Technical Evaluation at 9; Comments & Supp. Protest at 9-10. The protester maintains that because of a weakness the

⁷ In any event we note that Watershed could have confirmed with [DELETED] that it had CPARs for the subject contract available for review before it included this contract as a reference in its proposal. The RFP states that the agency did "not assume the duty to search for data to cure problems it finds with information provided by the [o]fferor." RFP at 58.

agency assigned to Stratascor's proposal under the organizational experience subfactor, the agency should have assigned no higher than a "good" technical rating for this subfactor, instead of the "outstanding" rating assigned by the agency.⁸ Id. at 10.

The agency responds that the TET assigned Stratascor's proposal five strengths under this subfactor, three of which were assessed as presenting "very low" risk, one of which was assessed as "low" risk, and one of which was identified as reducing the risk of unsuccessful performance. AR, Tab 11, Technical Evaluation at 8-9. The agency notes that while Stratascor's proposal also received a weakness under this subfactor-- because the proposal "did not provide a description of [its] experiences managing afloat networks or other C4 systems"-- this weakness was assigned a low to moderate risk. Id. at 9. The agency determined that even with this one weakness, the five strengths for organizational experience warranted an overall finding that Stratascor's proposal posed very little risk of unsuccessful performance for this subfactor. The agency contends that the protester fails to demonstrate that the agency's evaluation was not in accordance with the solicitation, or was unreasonable or arbitrary. Agency Supp. Report at 3-4.

In reviewing a protest challenging an agency's technical evaluation, our Office will not reevaluate proposals; rather, we will examine the record to determine whether the agency's evaluation conclusions were reasonable and consistent with the terms of the solicitation, and with applicable procurement laws and regulations. AAR Integrated Technologies, B-416859.4, June 11, 2019, 2019 CPD ¶ 214 at 4. A protester's disagreement with the agency's judgment, without more, does not establish that an evaluation was unreasonable. Beretta USA Corp., B-406376.2, B-406376.3, July 12, 2013, 2013 CPD ¶ 186 at 10.

Here, the record shows that the Navy considered the weakness that was assigned to Stratascor's proposal. The source selection advisory council (SSAC) specifically considered the fact that Stratascor's proposal was assigned a weakness in the area of "[e]xperience in Afloat [e]nvironment." AR, Tab 14, SSAC Report at 3. In this regard, the source selection authority made the following finding:

StratasCorp's technical proposal identified key experience in large-scale network upgrades and the ability to exceed the identified performance metrics for network operations center management. Watershed had no weaknesses in their technical proposal, while StratasCorp had one weakness[]. This slight difference did not affect the adjectival ratings as

⁸ The RFP defines an "outstanding" technical adjectival rating as follows:

Proposal meets requirements and indicates an exceptional approach and understanding of the requirements. Strengths far outweigh any weaknesses. Risk of unsuccessful performance is very low.

RFP at 55.

Watershed and StratasCorp's technical proposals both received an overall "Outstanding" technical rating and equivalent ratings on all subfactors.

AR, Tab 15, Source Selection Decision Document at 3.

Our Office has recognized that adjectival ratings are merely guides for intelligent decision-making in the procurement process. Automation Precision Technology, LLC, B-416078, June 5, 2018, 2018 CPD ¶ 203 at 4. Information regarding strengths and weaknesses of proposals is the type of information that source selection officials should consider, in addition to ratings, to enable them to determine whether and to what extent meaningful differences exist between proposals. Id. Given that the agency specifically considered the weakness assigned to Stratascor's proposal under organizational experience, and determined that the five strengths outweighed this weakness, and given that the RFP did not preclude a rating of outstanding, despite having been assigned a weakness, we find the agency's evaluation to be within its discretion and find no basis to sustain this protest ground.

Next, Watershed contends that the agency failed to consider the risks associated with Stratascor's lower price on its planned performance. Comments & Supp. Protest at 9. The protester states that the source selection authority should have questioned how Stratascor intended to provide a large part of GDIT's incumbent staff at a "vastly lower cost" than that proposed by Watershed. Id. at 11. Specifically, Watershed argues the agency failed to consider that Stratascor may encounter a problem retaining incumbent staff, due to the lower wages it is offering, and that this may affect Stratascor's performance.

We find this protest ground, raised as a supplemental protest on May 13, to be untimely, because it was raised more than 10 days after the protester knew or should have known of its basis of protest. 4 C.F.R. § 21.2(a)(2). Watershed was informed, at the time of its debriefing, on March 20, of the awardee's price and ratings for the technical factor and subfactors. In addition, on April 17, when Watershed received the SBA's decision that Stratascor was a small business for the purposes of this procurement, the SBA noted that Stratascor would be providing a broad mix of employees (such as the project manager, network operations centers manager, and technical director) almost evenly split with GDIT at each level and in each specialization. Agency Summary Dismissal Request for Supp. Protest Grounds, Tab B, SBA Size Determination of Stratascor LLC (Apr. 17, 2019) at 3-4. Therefore, to the extent Watershed had concerns regarding Stratascor's ability to retain incumbent personnel, and concerns about the effect on performance of that company, the protester should have raised this protest ground within 10 days after its April 17 receipt of the SBA's ruling on the size status protest. As a result, this protest ground is dismissed.

Best-Value Determination

Finally, as discussed above, Watershed protests that the agency's evaluation of the proposals under the technical and past performance factors was flawed, and

that therefore, the source selection decision, based on such flawed evaluations, is flawed as well. Since, as discussed above, we reject Watershed's complaints regarding the evaluation, we find no basis to question the agency's best-value determination.

The protest is denied.

Thomas H. Armstrong
General Counsel