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Decision

Matter of: ATA Aerospace, LLC

File: B-417427

Date: July 2, 2019

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Colonel C. Taylor Smith, Major Michelle E. Gregory, Christian J. Robison, Esq., and Charles L. Webster III, Esq., Department of the Air Force, for the agency.

John Sorrenti, Esq., and Christina Sklarew, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest that agency's cost realism evaluation is unreasonable is sustained where the record shows that the agency's determination that both offerors' proposed costs were realistic is based in large part on an unsupported conclusion that both offerors' proposed labor hours were analogous to historical data from the predecessor contract, even though the awardee's proposed labor hours were less than half of the protester's proposed labor hours.

2. Protest that agency should have rated awardee's proposal as technically unacceptable because its proposal did not propose three methods of performance is denied where a reasonable interpretation of the solicitation shows that it did not require offerors to propose these three methods.

DECISION

ATA Aerospace, LLC (ATAA), of Albuquerque, New Mexico, protests the award of a contract to Millennium Engineering and Integration Company (MEI), of Arlington, Virginia, by the Department of the Air Force, Research Laboratory, Space Vehicles Directorate, Integrated Experiments and Evaluation Division (AFRL/RV), under request for proposals (RFP) No. FA9453-18-R-0003, to provide various services in support of the research and development integrated space experiments program. ATAA

challenges the agency's cost realism evaluation and technical evaluation of the awardee's proposal for one of three initial task orders.

We sustain the protest in part and deny it in part.

BACKGROUND

On May 22, 2018, the agency issued the RFP as a small business set-aside. Agency Report (AR), Tab 6, RFP at 1, 115.¹ The RFP stated that the contractor would provide "concept design, development, integration, test and evaluation of new space technologies, innovative, engineering prototypes, and new employment concepts." Id. at 114. The RFP further explained that the AFRL/RV "conducts innovative research and development of ground, high-altitude balloon, near-space, and spaceflight experiments." Id. The contractor would provide research, engineering, and technical management to perform space technology analysis, development, integration, experimentation, demonstration, and evaluation in support of the AFRL/RV's mission. Id.

The RFP sought to award a single indefinite-delivery, indefinite-quantity (IDIQ) contract and up to three cost-plus-fixed-fee initial task orders. Id. at 118. The RFP stated that award would be based on a best-value tradeoff determination considering a technical factor and cost/price factor. Id. at 152. The technical factor was considered significantly more important than cost/price. Id.

The technical factor consisted of five subfactors. Id. The first two subfactors addressed the overall approach to the IDIQ contract, while the remaining three subfactors addressed the technical approach to each of the three initial task orders. The following chart identifies all five subfactors under the technical factor:

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|--|
| Subfactor 1: Corporate Management |
| Subfactor 2: Overarching Technical Approach |
| Subfactor 3: Technical Approach to task order 1, Tactical Command, Control, and Communications (C3) |
| Subfactor 4: Technical Approach to task order 2, Position Navigation and Timing (PNT) |
| Subfactor 5: Technical Approach to task order 3, Small Satellite Portfolio (SSP) |

Id. The corporate management and overarching technical approach subfactors were of equal importance and significantly more important than the three subfactors addressing the technical approach to the task orders. Id. The three task order subfactors were of equal importance. Id. The RFP stated that the agency would assign a combined

¹ The RFP was amended two times; citations to the RFP are to the second amended version. Citations to page numbers for all documents are to the Bates numbers provided by the agency for each document.

technical/risk rating for each of the subfactors and that no roll-up rating would be assigned at the factor level. Id. The combined technical/risk ratings that the agency used are, from highest to lowest, blue/outstanding, purple/good, green/acceptable, yellow/marginal, and red/unacceptable. Id. at 153.

As relevant to this protest, under the cost/price factor, offerors proposed a price for each of the three initial task orders. Id. at 156. The proposed price for each individual task order was evaluated for both reasonableness and realism. Id. The RFP stated that a price was reasonable if it represented a price “that a prudent person would pay in the conduct of competitive business.” Id. The RFP also explained that the agency would evaluate the cost realism of the proposed costs to evaluate “the extent to which proposed costs are realistic for the work to be performed; reflective of a clear understanding of the requirements, and are consistent with the unique methods of performance and materials described in the [o]fferor’s technical proposal.” Id. The RFP provided that the agency would compute a most probable cost based on the anticipated performance costs and proposed fee, and that the offeror’s proposed estimated costs were not controlling for source selection purposes. Id. The agency also calculated a total evaluated price, which was the sum total of the most probable cost for each of the three initial task orders as computed by the agency. Id. If the proposed cost for any of the three task orders was determined to be unreasonable or unrealistic, the total evaluated price would be determined to be unreasonable or unrealistic. Id.

As further relevant to this protest, the objective for task order 3, small satellite portfolio (SSP), was to support the agency’s small satellite space experiments and satellite programs. Id., Task Order 3 Statement of Work (SOW) § 1.0, at 96.² The “Scope” section of the task order 3 SOW stated that the agency anticipated that it would perform approximately 30 class 1 and 2 satellite experiments³ combined, and provided an anticipated schedule for those 30 experiments across the period of performance. Id., Task Order 3 SOW § 2.0, at 97. In addition, the “Scope” section stated that the agency “anticipate[d] three (3) general methods” to achieve the 30 experiments as follows:

The first [method] is to be able to appropriately scope the mission objectives and requirements and then leverage the current community to implement the mission. The second [method] is to appropriately scale the payload requirements to complement a commoditized avionics system. If

² In addition to a basic SOW explaining the overall requirements for the IDIQ contract, the RFP included an SOW for each of the three task orders. See RFP, Task Order SOWs, at 78-105.

³ The RFP explained that a class 1 satellite experiment is a “highly cost and schedule constrained effort” that typically costs less than \$1,000,000 and lasts less than a year in duration; a class 2 satellite experiment is a “moderately cost and schedule constrained effort” that would cost more and be of longer duration than a class 1 experiment. RFP at 127-28.

required, the final method would be to leverage components from the community and assemble[] into an avionics suit to meet the unique requirements of a payload/mission.

Id. A separate section in the SOW titled “Requirements” identified the various tasks that the contractor shall perform for task order 3. Id., SOW § 4.0, at 99-104. For the “technical approach to task order 3” subfactor, the RFP provided that the agency would evaluate the offeror’s plan to execute the mission design; implementation; assembly, integration, and test; on-orbit operations; and technology transfer for class 1 and 2 satellite experiments as described in the task order 3 SOW. RFP at 156.

Five offerors, including ATAA and MEI, submitted proposals in response to the RFP. Contracting Officer’s Statement (COS) at 8. For the cost/price factor, the agency conducted a quantitative analysis of each offeror’s cost/price proposals. As relevant to this protest, for task order 3, ATAA proposed approximately [DELETED] total labor hours at a cost of \$[DELETED]; while MEI proposed approximately [DELETED] total labor hours at a cost of \$[DELETED].⁴ AR, Tab 15, Initial Evaluation Briefing, at 82, 113. With respect to ATAA, the agency determined that ATAA’s proposed cost for task order 3 was comparable to the independent government cost estimate (GCE), which estimated approximately [DELETED] total labor hours for task order 3, with an approximate cost of \$[DELETED]. AR, Tab 10, ATAA Quantitative Analysis, at 2. Accordingly, the agency concluded that the ATAA proposal’s “close comparison to the GCE is acceptable to the [g]overnment.” Id. With respect to MEI, the agency determined that MEI’s proposed cost for task order 0003 was “about half of the . . . GCE,” but that MEI was “still capable of accomplishing the requirements of the [t]ask [o]rder 0003 . . . SOW.” AR, Tab 12, MEI Quantitative Analysis, at 2.

In addition to comparing the proposed costs to the GCE, the agency also compared the offerors’ proposed labor hours to historical data for similar work performed on the predecessor contract. Id. at 4; AR, Tab 10, ATAA Quantitative Analysis, at 3. In this regard, the quantitative analyses for both ATAA and MEI came to the identical conclusion that each offeror’s “proposed direct labor is consistent with historical data for similar efforts for AFRL/RV, such as [t]ask [o]rders 0003 and 0007 on the [space technology research and integrated vehicle experiments (STRIVE)] contract,”⁵ and that both offerors’ proposals “adequately tailor[ed] the direct labor hours across the [p]eriod of [p]erformance for this [t]ask [o]rder in accordance with the throughput of the small

⁴ The total labor hours included the hours proposed for both the prime contractor and all subcontractors for both offerors. AR, Tab 15, Initial Evaluation Briefing, at 82, 113. In addition, for task order 3, the agency calculated ATAA’s most probable cost as \$[DELETED] and MEI’s as \$[DELETED]. Id.

⁵ ATAA was the incumbent on the STRIVE contract, which was the predecessor contract for the work to be performed under the newly-awarded contract. Memorandum of Law (MOL) at 14-15.

satellite experiments provided in the notional schedule in the [t]ask [o]rder 3 SOW.” AR, Tab 10, ATAA Quantitative Analysis, at 3; AR, Tab 12, MEI Quantitative Analysis, at 4.

The agency also found that the types and quantities of labor hours and labor mix proposed by both offerors were necessary and consistent to conduct the unique methods of performance described in their respective technical proposals. AR, Tab 10, ATAA Quantitative Analysis, at 4; AR, Tab 12, MEI Quantitative Analysis, at 4. Again using identical language in each offeror’s quantitative analysis, the agency found that for both offerors “[t]he proposed labor hours and mix are analogous with the historical data for similar efforts for AFRL/RV, such as [t]ask [o]rders 0003 and 0007 on the STRIVE [c]ontract.” AR, Tab 10, ATAA Quantitative Analysis, at 4; AR, Tab 12, MEI Quantitative Analysis, at 4. The agency determined that each offeror’s evaluated cost/price for task order 3 was reasonable and realistic. Id.

The agency’s evaluation of ATAA’s technical approach for the task order 3 subfactor found that ATAA proposed using three methods to address the mission execution strategy for each small satellite experiment, and that these three methods were consistent with the three anticipated methods identified in the “Scope” section of the task order 3 SOW. AR, Tab 18, Source Selection Decision Document (SSDD), at 39. The agency determined that ATAA proposed an “innovative technical approach” that exceeded the agency’s performance requirements for this task order. Id. As a result, the agency concluded that ATAA’s approach “resulted in significantly higher cost to performing the SSP mission requirements than MEI.” Id. With respect to MEI’s technical approach for the task order 3 subfactor, the agency found that MEI proposed an adequate technical approach and understanding of the requirements, and that MEI provided an “adequate plan” that met the requirements of the task order. Id.

The agency determined the following final ratings for ATAA and MEI:

| | ATAA | MEI |
|--|--------------|--------------|
| Corporate Management | Good | Good |
| Overarching Technical Approach | Acceptable | Good |
| Technical Approach to Task Order 1, C3 | Good | Acceptable |
| Technical Approach to Task Order 2, PNT | Outstanding | Acceptable |
| Technical Approach to Task Order 3, SSP | Good | Acceptable |
| Total Evaluated Cost/Price | \$85,152,719 | \$44,312,831 |

AR, Tab 16, Source Selection Evaluation Board (SSEB) Report, at 19. Ultimately, the agency determined that while ATAA proposed a “technically superior approach” to the three task order subfactors, those three subfactors were significantly less important than the corporate management and overarching technical approach subfactors, for which MEI was determined to have the “strongest proposal.” AR, Tab 18, SSDD at 40. As a result, the agency concluded that “[a]t nearly \$37.5 [million] more than MEI’s proposed cost, ATAA’s proposed cost of \$85,152,719 when combined with its technically lower rated [a]cceptable approach on [the overarching technical approach] [s]ubfactor does not present the best value to the [g]overnment.” Id. Moreover, because MEI had the

strongest proposal for the two significantly more important subfactors and its price of \$44,312,831 was determined to be reasonable and realistic, the agency determined that MEI presented the best overall value to the government. Id.

On March 1, 2019, the agency notified ATAA and MEI of its award decision. Following a debriefing, ATAA timely filed its protest with our Office on March 25, 2019.

DISCUSSION

ATAA challenges the agency's cost realism evaluation, arguing that the agency unreasonably determined that MEI's proposed cost for task order 3 was realistic. ATAA also asserts that the agency unreasonably rated as acceptable MEI's technical approach to task order 3. As explained below, we sustain ATAA's challenge to the agency's cost realism evaluation but deny its argument regarding the agency's technical evaluation of MEI's proposal for task order 3.⁶

When an agency evaluates a proposal for the award of a cost-reimbursement contract, an offeror's proposed 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), 15.404-1(d); Exelis Sys. Corp., B-407673 et al., Jan. 22, 2013, 2013 CPD ¶ 54 at 7; CGI Fed. Inc., B-403570 et al., Nov. 5, 2010, 2011 CPD ¶ 32 at 5 n.1. 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); DynCorp Int'l LLC, B-411465, B-411465.2, Aug. 4, 2015, 2015 CPD ¶ 228 at 8. An agency is not required to conduct an in-depth cost analysis, see FAR § 15.404-1(d)(1), or to verify each and every item in assessing cost realism; rather, the evaluation requires the exercise of informed judgment by the contracting agency. AdvanceMed Corp.; TrustSolutions, LLC, B-404910.4 et al., Jan. 17, 2012, 2012 CPD ¶ 25 at 13. While an agency's cost realism analysis need not achieve scientific certainty, the methodology employed must be reasonably adequate and provide some measure of confidence that the rates proposed

⁶ ATAA also challenges the agency's evaluation of ATAA's technical proposal, arguing that it should have been credited with additional strengths under the overarching technical approach subfactor for its previous experience and proposed use of a particular testing platform; and should have received an additional strength under the corporate management subfactor for its proposed approach to retaining incumbent staff. We have reviewed these protest grounds and conclude that none provides a basis to sustain the protest. For example, the record shows that the agency considered ATAA's previous experience in rating it as acceptable under the overarching technical approach subfactor but reasonably concluded that it did not merit an additional strength. AR, Tab 16, SSEB Report at 41-43. Similarly, the agency determined that ATAA's proposed approach to retain incumbent staff met the SOW requirements but did not merit an additional strength. Id. at 25-26. On this record, we find reasonable the agency's decision not to award additional strengths to ATAA for these aspects of its proposal.

are reasonable and realistic in view of other cost information reasonably available to the agency at the time of its evaluation. Tantus Techs., Inc., B-411608, B-411608.3, Sept. 14, 2015, 2015 CPD ¶ 299 at 10. Our review of an agency's cost realism evaluation is limited to determining whether the cost analysis is reasonably based and not arbitrary. TriCenturion, Inc.; SafeGuard Servs., LLC, B-406032 et al., Jan. 25, 2012, 2012 CPD ¶ 52 at 6.

ATAA contends that MEI's proposed cost to perform task order 3 was "considerably understated" and that the agency's cost evaluation does not support the conclusion that MEI's proposed cost was realistic. Protester Comments at 5. In this regard, ATAA refers to the agency's conclusion that both ATAA's and MEI's proposed labor hours and labor mix were consistent with and analogous to historical data for similar efforts for task orders under the STRIVE contract, despite the fact that MEI's proposed labor hours and cost were less than half of what ATAA proposed. Id. at 6-7. ATAA argues that since the agency concluded that ATAA's proposed task order 3 labor hours and cost were consistent with both the GCE and the historical data from the STRIVE contract, it is a reasonable inference that the GCE reflected the STRIVE historical data. Id. at 7. Based on this inference, ATAA asserts that the agency's finding that both ATAA's and MEI's very different proposed labor hours were consistent or analogous with the historical STRIVE contract data is irrational and cannot be reconciled. Id. at 7-8. ATAA also argues that the agency never explained how it determined that MEI was "capable of accomplishing the requirements" of task order 3 even though MEI's proposed cost for the task order was about half of the GCE. Id. at 6.

As noted above, we review an agency's cost realism evaluation to determine whether it was reasonable and not arbitrary. Here, for task order 3, ATAA proposed approximately [DELETED] total labor hours at a cost of \$[DELETED], while MEI proposed approximately [DELETED] total labor hours at a cost of \$[DELETED]. Despite this significant discrepancy between the two offerors, the agency concluded that both offerors' proposed labor hours and mix were "consistent" and "analogous" with the historical data for similar work performed under two task orders for the STRIVE contract. In fact, as discussed above, the agency's conclusion regarding the offerors' proposed labor hours as compared to the STRIVE contract is stated verbatim in the quantitative analysis for each offeror.

On this record, we find that the agency has failed to explain its findings regarding each offeror's proposed labor hours as compared to the STRIVE contract historical data. There is no explanation or analysis in the evaluation record for how the agency could rationally conclude that both offerors' proposed labor hours and labor mix were consistent with and analogous to the historical data for the STRIVE contract task orders, where ATAA proposed more than double the labor hours and cost that MEI proposed. Despite this lack of analysis, the agency relied, in large part, on this unsupported conclusion in determining that each offeror's proposed cost for task order 3 was

realistic.⁷ As a result, we find that the agency's cost realism evaluation is not supported by the record and is unreasonable.

The agency argues that it conducted a reasonable and thorough cost realism evaluation and carefully reviewed MEI's proposed labor hours, categories, and labor mix to determine that they were consistent with MEI's technical proposal and reflected a clear understanding of the requirements, and that MEI's proposed cost elements were realistic for the work to be performed. MOL at 14-16. However, as noted above, the agency's determination that both offerors' proposed costs were realistic relied on its seemingly illogical conclusion that the offerors' strikingly divergent levels of proposed labor hours were somehow both consistent with the historical data for the STRIVE contract. Indeed, the cost/price consensus evaluation and the SSEB report simply restate the same findings from the quantitative analysis regarding the comparison of proposed labor hours to the historical data. See AR, Tab 8, ATAA Tech. Evaluations, at 548; Tab 9, MEI Tech. Evaluations, at 26-27; Tab 16, SSEB Report, at 79-80, 115-116. Thus, this unsupported conclusion carried through the agency's evaluation and was never questioned by the source selection official during the agency's evaluation.

The agency also argues that ATAA's higher proposed labor hours and cost were the result of ATAA proposing more services than were required by the RFP. MOL at 14; see also AR, Tab 18, SSDD, at 39. However, while this may provide a reason why ATAA's proposed cost was higher than MEI's proposed cost, in this circumstance, it does not address whether either offeror's proposed cost was realistic. Indeed, it does not provide an explanation for how the agency could have concluded that both offerors' proposed labor hours and mix--with their significant and obvious disparity--were analogous to the STRIVE contract historical data, or how the agency could reasonably rely on that conclusion as a basis for finding the offerors' proposed costs to be realistic.⁸

⁷ The agency also evaluated the cost realism of task orders 1 and 2 by comparing the offerors' proposed labor hours and mix for those task orders to similar work performed under different task orders from the STRIVE contract. See AR, Tab 10, ATAA Quantitative Analysis, at 2-4; AR, Tab 9, MEI Tech. Evaluations, at 25-26. However, the record does not indicate any issues with--and the protester has not challenged--the agency's conclusions regarding this comparison for task orders 1 and 2.

⁸ The agency also asserts that the difference in the two offerors' proposed labor hours and costs were because (1) ATAA's overhead rate was [DELETED] percent, while MEI's rate was just [DELETED] percent; and (2) ATAA proposed using [DELETED] subcontractors on task order 3 while MEI proposed only [DELETED] subcontractors. MOL at 14; COS at 13. However, neither of these reasons fully explains the large disparity between the two offerors. First, MEI concedes that its total indirect rate is actually higher than the indirect rate proposed by ATAA. Intervenor Comments at 14 n.13 (explaining that in addition to MEI's [DELETED] percent overhead rate, it also proposed a fringe benefits rate of [DELETED] percent, while ATAA proposed an average overhead rate--which included fringe benefits--of [DELETED] percent); see also AR, Tab 70, MEI Prop. Vol. III, Cost/Price, at 13-14; AR, Tab 42, ATAA Prop. Vol.

(continued...)

In addition, the record contains no explanation of the agency's conclusory statement that MEI "is still capable of accomplishing the requirements" of task order 3 despite the fact that MEI's proposed cost was half of the GCE. Rather, the agency merely noted the discrepancy, asserted that MEI was still capable of performing, and provided no explanation or analysis of how it reached this conclusion. We find that this conclusion also is not supported by the record and therefore cannot conclude that it is reasonable.

In sum, the agency's determination that MEI's most probable cost for task order 3 was realistic was based, in large part, on its unsupported conclusions that both offerors' proposed labor hours and mix were analogous to the STRIVE contract historical data, and that despite MEI proposing a cost that was half of the GCE, it was still capable of performing the task order 3 requirements. Accordingly, we find that the agency has failed to adequately explain the underlying basis for its determination that both offerors proposed costs are realistic, and therefore we cannot conclude that the cost realism evaluation was reasonable; we sustain the protest on this basis.

ATAA also argues that certain language under task order 3 SOW section 2.0, "Scope," stating that the agency "anticipate[d] three (3) general methods" to accomplish the work and describing each of the three methods, required offerors to propose these three methods to accomplish the satellite missions contemplated under this task order. Given this, ATAA argues, the agency should have rated MEI's proposal as technically unacceptable because MEI did not propose these three methods. Protester Comments at 9-11.

The agency counters that this language did not create a requirement for offerors to propose three different methods to accomplish the SOW requirements, but rather was a general description of how the agency anticipated offerors would address and execute mission development. MOL at 18. The agency further argues that this language "put offerors on notice as to how the [a]gency wanted its missions to be understood, and cannot be rightfully interpreted as an additional requirement to propose three different methodologies for mission accomplishment." Id. Rather, the agency asserts, the specific requirements that offerors' proposals were required to address were described in SOW section 4.0, titled "Requirements." Id.

We agree with the agency on this issue. Where a protester and agency disagree over the meaning of solicitation language, we will resolve the matter by reading the solicitation as a whole and in a manner that gives effect to all of its provisions; to be

(...continued)

III, Cost/Price, at 27. Second, while ATAA's use of more subcontractors than MEI may be one reason why ATAA's labor hours or costs were higher than MEI's, the extent to which an offeror proposed its own workforce or a subcontractor's workers to perform the labor does not provide insight into whether the total labor hours proposed were realistic, or, here, whether MEI's proposed cost was realistic.

reasonable, and therefore valid, an interpretation must be consistent with the solicitation when read as a whole and in a reasonable manner. Alluviam LLC, B-297280, Dec. 15, 2005, 2005 CPD ¶ 223 at 2; Constructure-Trison JV, LLC, B-416741.2, Nov. 21, 2018, 2018 CPD ¶ 397 at 3.

As an initial matter, RFP section L, “Information to Offerors . . . and Instructions for Proposal Preparation,” stated that for the technical approach to task order 3 subfactor, offerors were required to provide a narrative description of how they would execute the five areas of “mission design, implementation, [assembly, integration, and test], on-orbit operations, and technology transfer” for the satellite experiments detailed in the task order 3 SOW. RFP at 127. These five areas match up almost identically with five sub-section headings in task order 3 SOW section 4.0, which explain the tasks that the contractor “shall” perform.⁹ Id., Task Order 3 SOW §§ 4.1, 4.2, 4.3, 4.4, 4.5, at 99-102. This indicates that section 4.0, “Requirements”--and not section 2.0, “Scope”--of the SOW identified what an offeror’s proposal was required to address.

Consistent with this interpretation, the language in the Scope section of the SOW on which ATAA’s argument relies does not state that offerors are required to propose three different methods to meet the requirements of the RFP. Rather, it states that the agency “anticipates three (3) general methods” of achieving the requirements, which we find is not the same as requiring offerors to propose these three methods.¹⁰ RFP, Task Order 3 SOW § 2.0, at 97. Indeed, in describing the three different methods, the SOW states that the final method would be used only “[i]f required,” which indicates that the agency did not consider that all three methods would be necessary to accomplish the missions. Id. Moreover, the RFP section instructing offerors what they must include in their technical proposals for task order 3 does not mention these three methods. See RFP at 127-28.

⁹ The five areas that RFP section L instructed offerors’ proposals to address--mission design; implementation; assembly, integration, and test; on-orbit operations; and technology transfer--are identical to the sub-section headings in task order 3 SOW section 4.0, except for on-orbit operations, which is identified as “launch integration and mission operations” in the SOW. RFP, Task Order 3 SOW § 4.4, at 101. However, the descriptions of the tasks that the contractor shall perform for launch integration and mission operations repeatedly refer to “on-orbit operations,” indicating that the two are one and the same.

¹⁰ ATAA argues that the RFP also stated that the agency “anticipate[d]” that the contractor would perform 30 satellite missions and provided an anticipated schedule for these missions in task order 3 SOW section 2.0, and that the agency evaluated the offerors’ proposed direct labor hours against this anticipated schedule, suggesting that this was a requirement despite the use of the word “anticipates.” Protester Comments at 11. However, this language and schedule also was included in section L of the RFP, which specifically instructed offerors to propose a price to complete the anticipated schedule. RFP at 133.

Given this, we do not find reasonable ATAA's interpretation that the RFP required offerors to propose all three of the methods to achieve the missions described in the "Scope" section of the task order 3 SOW. As a result, the fact that MEI's proposal did not address these three methods does not render its proposal technically unacceptable, as ATAA contends. This protest ground is denied.

RECOMMENDATION

For the reasons discussed above, we conclude that the agency conducted an unreasonable cost realism evaluation of the proposals under the cost/price factor. We recommend that the agency reevaluate the proposals under this factor, in a manner that is consistent with our decision, and properly document its evaluation. Upon reevaluation of the offerors' proposed costs, if MEI's proposal is not found to reflect the best value to the government, the agency should terminate the contract for the convenience of the government and award a new contract to the offeror whose proposal provides the best value to the government.

We also recommend that the agency reimburse ATAA the reasonable costs of filing and pursuing the protest, including reasonable attorneys' fees. 4 C.F.R. § 21.8(d)(1). The protester should submit its certified claim for such costs, detailing the time expended and costs incurred, directly to the agency within 60 days after receipt of this decision. 4 C.F.R. § 21.8(f)(1).

The protest is sustained in part and denied in part.

Thomas H. Armstrong
General Counsel