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Decision

Matter of: Quanterion Solutions, Inc.

File: B-418783

Date: September 3, 2020

Bret S. Wacker, Esq., Clark Hill PLC, and Evan Rossi, Esq., Rossi & Rossi, for the protester.

Donald J. Walsh, Esq., Wright, Constable & Skeen, LLP, for the intervenor.

Colonel Patricia S. Wiegman-Lenz, Lieutenant Colonel Damund E. Williams, Matthew J. Ruane, Esq., and Wilbert W. Edgerton, Esq., Department of the Air Force, for the agency.

Mary G. Curcio, Esq., and Laura Eyester, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest is denied where agency's evaluation of protester's proposal was reasonable and consistent with the solicitation.

DECISION

Quanterion Solutions, Inc., a small business of Utica, New York, protests the award of a contract to SURVICE Engineering Company, a small business of Belcamp, Maryland, under request for proposals (RFP) No. FA8075-20-R-0001, issued by Department of the Air Force for research and development services for the Department of Defense (DOD) information analysis center (IAC) basic center of operations (BCO). Quanterion protests that the agency unreasonably evaluated its past performance, technical, and price proposals.

We deny the protest.

BACKGROUND

The IAC BCO contract will consolidate the operation of the following three information analysis centers: the cybersecurity and information system IAC (CSIAC), the defense systems IAC (DSIAC), and the homeland defense and security IAC (HDIAC). Agency Report (AR), Tab 8, RFP amend. 3 at 5. The IAC BCO contract will be focused on knowledge collection, analysis, synthesis, and dissemination of engineering, scientific

and technical information. *Id.* Typical activities include collecting and uploading scientific and technological information into the defense technical information center's research and engineering gateway, maintaining a presence in the technical community, growing the knowledge repository collection, maintaining a subject matter expert network database, and responding to technical inquiries. *Id.* Quanterion is the incumbent contractor for the CSIAC and HDIAC contracts. AR, Tab 24, Source Selection Evaluation Board (SSEB) Report at 2.

The RFP, issued on November 13, 2019, was set-aside for small businesses and provided for the award of an indefinite-delivery, indefinite-quantity cost-plus-fixed-fee contract with a 90-day transition period for each of the three IACs, a two-year base period, two two-year options periods, and six one-month extension of services periods. RFP at 3-6, 31, 66. The solicitation provided that the contract would be awarded on a best-value tradeoff basis considering the following factors: past performance, technical capability (with subfactors for transition, operations approach, and management approach), and cost/price. RFP amend. 3 at 87.

With respect to the past performance factor, the agency was to evaluate past performance references for recency, relevancy, and quality, and assign an overall confidence rating. *Id.* at 88. Only offers that the agency assigned a past performance confidence rating of satisfactory or substantial would be considered for award. *Id.* at 87. With respect to the transition subfactor of the technical capability factor, the agency was to evaluate offers as either acceptable or unacceptable. *Id.* For the operations approach and management approach subfactors, the agency was to assign offers a combined technical/risk rating of outstanding/low risk, good/low to moderate risk, acceptable/moderate risk, or marginal/high risk. *Id.* at 92. With respect to price, offerors completed a cost/price table that was included in the solicitation, which the agency would use to evaluate whether the proposed cost/price was fair and reasonable, balanced and realistic. *Id.* at 95. The past performance and technical capability factors were considered of equal importance, and when combined, were significantly more important than cost/price. *Id.* at 88.

The agency received and evaluated proposals from Quanterion and SURVICE as follows:

	Quanterion	SURVICE
Past Performance	Satisfactory	Substantial
Technical Capability		
Transition	Acceptable	Acceptable
Operations Approach	Acceptable/Moderate Risk	Good/Low Risk
Management Approach	Acceptable/Moderate Risk	Acceptable/Moderate Risk
Proposed Cost	\$91,215,215	\$89,489,901
Probable Cost	\$91,053,324	\$89,408,158

AR, Tab 25, Initial Evaluation Brief at 14; AR, Tab 26, Source Selection Decision Document (SSDD) at 14. The agency awarded the contract to SURVICE after concluding that its proposal offered the best value to the government since it was lower in cost and rated higher for the technical and past performance factors. AR, Tab 26, SSDD at 15. This protest followed.

DISCUSSION

Quanterion protests the agency's evaluation of its proposal under the past performance, technical, and cost/price proposals. In reviewing protests challenging an agency's evaluation of proposals, our Office does not independently evaluate proposals; rather, we review the agency's evaluation to ensure that it is reasonable and consistent with the terms of the solicitation and applicable statutes and regulations. *STG, Inc.*, B-411415, B-411415.2, July 22, 2015, 2015 CPD ¶ 240 at 5. We have reviewed all of the protester's arguments and find that none provides a basis for us to sustain the protest. We discuss several examples below.

Past Performance

Quanterion argues that the agency's evaluation of Quanterion's past performance was inconsistent with the solicitation's evaluation criteria. Protest at 26-27. Specifically, Quanterion asserts that its past performance is "nearly an identical match" to the solicitation requirements since it is the incumbent for the CSIAC contract and has performed on another large DOD IAC contract, and therefore should have received higher relevancy ratings. *Id.* The agency contends that it adhered to the solicitation's evaluation criteria which included elements such as the magnitude and technical complexity of each reference. Contracting Officer's Statement (COS) at 9-15.

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. *MFM Lamey Group, LLC*, B-402377, Mar. 25, 2010, 2010 CPD ¶ 81 at 10. Where a solicitation calls for the evaluation of past performance, we will examine the record to ensure that the evaluation was reasonable and consistent with the solicitation's evaluation criteria and procurement statutes and regulations. *Divakar Techs., Inc.*, B-402026, Dec. 2, 2009, 2009 CPD ¶ 247 at 5. A protester's disagreement with the agency's judgment does not establish that an evaluation was unreasonable. *FN Mfg., LLC*, B-402059.4, B-402059.5, Mar. 22, 2010, 2010 CPD ¶ 104 at 7.

With respect to past performance, offerors were required to provide at least three, but no more than five references. RFP amend. 3 at 78. At least three references were required for the prime contractor. *Id.* As noted, the solicitation advised that in evaluating past performance, the agency would assign a confidence rating based on the recency,¹ relevancy, and the performance quality of the references provided. *Id.* at 89.

¹ To be considered recent, a contract had to be performed within three years of the solicitation's release date. RFP amend. 3 at 89.

To determine overall relevance, the agency first assigned a relevance rating to the magnitude and the technical complexity of the reference. *Id.* at 89-90. The magnitude rating was based on two charts set forth in the solicitation, which defined each relevance rating depending on whether the reference was for an indefinite delivery, indefinite quantity (IDIQ) contract or delivery/task order, the dollar value of the reference, and whether it was a DOD or non-DOD award.² *Id.* at 90. The technical complexity rating was based on separate relevancy ratings for technical focus areas and technical performance areas. *Id.* There were 22 technical focus areas and 9 technical performance areas. See RFP amend. 3 at 78, 89; AR, Tab 12, Past Performance Questionnaire at 3-4, 23. The possible relevancy ratings for magnitude, overall complexity, technical focus areas, technical performance areas, and overall relevance were very relevant, relevant, somewhat relevant, or not relevant. RFP amend. 3 at 89.

The agency also evaluated the quality of performance. The possible quality ratings were exceptional, satisfactory, marginal, unacceptable, or not applicable. RFP amend. 3 at 91. The agency aggregated the recency, relevancy, and quality ratings and assigned each offeror a past performance confidence rating of substantial, satisfactory, neutral, limited, or no confidence. *Id.* at 91-92. Quanterion was rated satisfactory confidence for past performance, based on identifying five past performance references which were evaluated as follows:

	FA8075-17-D-0001 (CSIAC BCO-17)	HDTRA1-14-D-0009 Defense Threat Reduction IAC (DTRIAC)	FA8750-15-C-0197	FA8075-12-D-0001 (CSIAC BCO-12)	RMQSI
Relevance-Magnitude	Relevant	Somewhat Relevant	Relevant	Somewhat Relevant	Not Relevant

² For example, to receive a very relevant rating for a task order past performance reference, the task order had to be a DOD cost reimbursement type order with a value equal to or greater than \$15 million and performed by the offeror as a prime contractor. RFP amend. 3 at 90. To be rated relevant for an IDIQ contract past performance reference, the contract had to be a DOD cost reimbursement contract valued between \$30 and \$60 million, a non-DOD cost reimbursement contract valued equal to or greater than \$40 million, or any non-cost reimbursement contract valued at \$60 million or more, and performed by the offeror as a prime contractor or subcontractor. *Id.* To be rated somewhat relevant for an IDIQ contract past performance reference, the contract had to be a DOD cost reimbursement contract valued between \$20 and \$30 million, a non-DOD cost reimbursement contract valued between \$25 and \$40 million, or any non-cost reimbursement contract valued between \$25 and \$60 million, and performed by the offeror as a prime contractor or subcontractor. *Id.*

Relevance-Technical Complexity	Somewhat Relevant	Somewhat Relevant	Relevant	Somewhat Relevant	Somewhat Relevant
Relevance-Technical Focus Areas (22 areas)	Somewhat Relevant (4 of 22 areas)	Somewhat Relevant (6 of 22 areas)	Somewhat Relevant (4 of 22 areas)	Somewhat Relevant (4 of 22 areas)	Somewhat Relevant (1 of 22 areas)
Relevance-Technical Performance Areas (9 areas)	Relevant (6 of 9 areas)	Somewhat Relevant (4 of 9 areas)	Very Relevant (8 of 9 areas)	Relevant (6 of 9 areas)	Somewhat Relevant (2 of 9 areas)
Overall Relevance	Relevant	Somewhat Relevant	Relevant	Somewhat Relevant	Somewhat Relevant
Quality	Satisfactory	Exceptional	Exceptional	Satisfactory	Exceptional

AR, Tab 24, SSEB Report at 15-25. Quanterion states that the two CSIAC BCO contracts it used as a reference represent one of the IAC contracts being consolidated under this solicitation. Comments at 15. Quanterion notes that since it had been awarded this contract twice, it used both awards as references in its past performance volume and was rated overall relevant for one and overall somewhat relevant for the other, demonstrating the irrationality of the agency's evaluation. *Id.* Quanterion also notes that since it is currently operating two of the three IAC's that are being consolidated under this solicitation, it demonstrated that it has very relevant past performance. *Id.* at 17. According to Quanterion, this past performance should have resulted in its being evaluated as substantial, rather than satisfactory confidence. *Id.*

We find that the agency reasonably assigned Quanterion's proposal satisfactory confidence for past performance. First, with respect to Quanterion's CSIAC BCO contracts, the difference in the overall relevance ratings for the two past performance references stems from the difference in the relevance ratings for magnitude. That is, both contracts were assigned the same ratings for the complexity factors. However, consistent with the solicitation, the agency assigned Quanterion a rating of relevant for magnitude for the CSIAC BCO-17 contract because the value of this IDIQ cost-plus-fixed-fee contract was \$38,087,182; the agency assigned a somewhat relevant rating for magnitude for the CSIAC BCO-12 contract because the value was \$26,106,926. AR, Tab 24, SSEB Report at 18, 22; *see also* RFP amend. 3 at 90 (rating definitions for magnitude). This resulted in Quanterion being rated overall relevant for CSIAC BCO-17, and overall somewhat relevant for CSIAC BCO-12. We find there is no merit to Quanterion's assertion that the difference in ratings demonstrates that the agency's evaluation of past performance was irrational. Given the difference in the magnitude ratings, the difference in the ratings is consistent with the solicitation, which defines a relevant rating as a present/past performance effort that involved similar scope, magnitude of effort, and complexities as this solicitation requires; and defines a somewhat relevant rating as a present/past performance effort that involved some of the

scope and magnitude of effort and complexities this solicitation requires. See RFP amend. 3 at 89.

Second, the fact that Quanterion is currently performing on two of the three contracts that are being consolidated under this solicitation is not a basis to conclude that its proposal merits a rating of substantial confidence for past performance. Quanterion submitted two past performance references for the CSIAC BCO contract being consolidated and one for a DOD IAC contract (the DTRIAC reference) that is not being consolidated under this solicitation, but which Quanterion argues is a significantly larger DOD IAC contract. See Protest at 26. Quanterion did not submit a past performance reference for the HDIAC contract being consolidated here. Comments at 18 n.7.

The evaluation of past performance was based on the process outlined in the solicitation which, as described above, considered the magnitude and complexity, as well as the performance quality of the contracts provided as references. Two of Quanterion's five references were rated relevant--one with a satisfactory quality rating and one with an exceptional quality rating. Three of these references were rated somewhat relevant--two with ratings of exceptional for quality and one which was rated satisfactory for quality. AR, Tab 24, SSEB Report at 24. Further the evaluation showed that although Quanterion was performing work similar to the solicitation requirement, overall Quanterion performed in only 10 of the 22 performance focus areas, and performed contracts that were generally smaller in dollar value than the contract contemplated by the solicitation.³ *Id.* at 25. Given the record before us we find that the agency reasonably rated Quanterion's proposal satisfactory confidence for past performance.

Finally, Quanterion asserts that the agency treated it disparately from SURVICE because the agency evaluated SURVICE's reference for one of its subcontractors performing the HDIAC contract as relevant when it should have been rated somewhat relevant. Comments at 11. The agency assigned this contract an overall rating of relevant based on a rating of relevant for magnitude, and relevant for complexity (based on ratings of relevant for technical performance areas and somewhat relevant for technical focus areas). AR, Tab 24, SSEB Report at 48-49. SURVICE received a

³ Quanterion also asserts that the agency improperly credited it with demonstrating performance in only 10 of the 22 technical focus areas overall, when its five past performance references actually demonstrated performance in all 22 focus areas. Protest at 27-28. The agency explains that it determined the number of technical focus areas covered based on the past performance questionnaires that were sent to the government representative responsible for each contract. Supp. COS at 8-9. Specifically, the questionnaire sent to each representative listed the 22 technical focus areas and asked the representative to indicate in what areas the contractor performed. *Id.*; see AR, Tab 12, Past Performance Questionnaire at 2-3. We find that basing the evaluation on the information provided in the questionnaires was reasonable. We also note that Quanterion was provided the completed past performance questionnaires as part of the agency report and did not challenge any of the evaluations.

rating of satisfactory for quality of performance. *Id.* The agency reports that in reviewing the protest, it learned that the contract should have in fact been rated somewhat relevant for magnitude. COS at 11. The agency argues that this error in a subrating on one contract would not change the outcome of the procurement. *See id.* The protester argues that if the contract was rated somewhat relevant, rather than relevant for magnitude, and relevant for complexity, and satisfactory for quality, the contract would have been rated overall somewhat relevant for past performance. Comments at 12.

As an initial matter, we note that the relevance rating is based on the magnitude and complexity ratings and does not take into account the quality rating. Moreover even if the rating of this contract was changed from relevant to somewhat relevant, we agree that the outcome of the procurement would not change. SURVICE identified five past performance contracts as references. One was rated very relevant and four were rated relevant. AR, Tab 24, SSEB Report at 50. In addition, SURVICE performed in all 22 technical focus areas. *Id.* In contrast, Quanterion performed in 10 of the 22 technical focus areas, and was rated relevant for 2 of its past performance reference contracts and somewhat relevant for the remaining 3 references. *Id.* at 25. It is thus clear that the past performance of SURVICE was rated higher than the past performance of Quanterion. Competitive prejudice is an essential element of every viable protest; where the protester fails to demonstrate that, but for the agency's actions, it would have had a substantial chance of receiving the award, there is no basis for finding prejudice, and our Office will not sustain the protest. *TMM Investments, Ltd.*, B-402016, Dec. 23, 2009, 2009 CPD ¶ 263 at 4. Accordingly, we find that Quanterion was not competitively prejudiced by the agency's error.

Technical Evaluation

Quanterion protests the assignment of each of the three weaknesses assigned by the agency. Protest at 30-53; Comments at 18-32. In addition, Quanterion argues that it should have been assigned numerous strengths. Protest at 60-65; Comments at 32-47. Quanterion further argues that the agency's evaluation contained material errors and was inconsistent with the solicitation's evaluation criteria. Protest at 30. The agency asserts that its evaluation was consistent with the solicitation and supported by the record. COS at 16-29. We have reviewed all of Quanterion's arguments and find no basis on which to sustain the protest. We address a few representative examples below.

Operations Approach--Weakness

The solicitation included three technical capability subfactors--transition, operations approach, and management approach.⁴ RFP amend. 3 at 87. The operations

⁴ Quanterion was rated acceptable for the transition subfactor. AR, Tab 24 SSEB Report at 26. According to Quanterion, the agency was required to assign strengths or

approach and management approach subfactors were assigned a combined technical risk rating. *Id.* at 92. Under the operations approach subfactor, there were eight elements, each of which was tied to a task or tasks in the performance work statement (PWS). *Id.* at 93-94. Under the management approach subfactor, there were five elements, each of which was tied to a task or tasks in the PWS. *Id.* at 94-95.

Under the operations approach subfactor, Quanterion's proposal was rated acceptable with moderate risk. The proposal was assigned two strengths and three weaknesses. AR, Tab 24, SSEB Report at 31. With respect to the operations approach subfactor, the solicitation provided that the agency would evaluate the following, among other things:

. . . . The proposed approach details the Offeror's plan and methods to market/expand awareness of the IAC program, products, and services, making the program more useful and relevant to key customers.

The Offeror shall detail its approach and methods to establish and maintain relationships with the [combatant commands (COCOMs)], Lab[oratories], and [program executive offices (PEOs)] and describe how these relationships will enable the Offeror to expand its offering of [extended technical inquiries (ETIs)] and [specialized task orders (STOs)].

RFP amend. 3 at 94. The agency notes that the provision contains two requirements. The first requirement is to provide plans and methods to market/expand awareness of the IAC program and its products and services. The agency found that Quanterion's proposal adequately addressed this requirement. The second requirement is that the offeror detail its approach and methods to establish and maintain relationships with the COCOMs, laboratories, and PEOs, and describe how these relationships will enable the offeror to expand its offering of ETIs and STOs. Quanterion's proposal was assigned a weakness because it did not include an approach and methods to establish and maintain relationships with the COCOMs, laboratories, and PEOs, and did not describe

weaknesses and an adjectival rating to this subfactor. Comments at 3. Apparently Quanterion believes that if it was assigned an adjectival rating for the transition subfactor, it would have had an advantage over SURVICE. The solicitation here sets out two different standards for rating this subfactor. In one instance, it states that each technical subfactor will receive a combined technical risk rating. RFP amend. 3 at 92. The solicitation also states that "Subfactor 1 [transition] will be evaluated on an 'Acceptable' or 'Unacceptable' basis." RFP amend. 3 at 87; see *also* AR, Tab 9, RFP amend. 4 at 7 ("Transition (Acceptable/Unacceptable)"). An ambiguity exists where two or more reasonable interpretations of the terms or specifications of the solicitation are possible. *Colt Defense, LLC*, B-406696, July 24, 2012, 2012 CPD ¶ 302 at 8. To the extent the solicitation was ambiguous, the ambiguity was patent. Thus, the protester was required to protest prior to the closing time for the receipt of proposals. 4 C.F.R. § 21.2(a)(1). Since Quanterion did not timely protest the ambiguity, the agency could reasonably evaluate the transition factor on an acceptable/unacceptable basis.

how these relationships would enable Quanterion to expand its offering of ETIs and STOs.

Quanterion argues that its [DELETED] of ETIs and STOs. Protest at 53; Comments at 32. According to Quanterion, in its proposal it noted that it has sought out and hired experts with experience serving with, for, or under [DELETED] staffs. *Id.* Quanterion explains that it proposed leveraging these former staff directors and deputy directors with more than 130 years of cumulative active duty military experience. *Id.* Quanterion also argues that its proposal detailed its approach to ongoing regular interaction with the COCOMs/CCDRs to direct training development and pursue STO opportunities. Comments at 30.

The evaluation of proposals is primarily a matter within the agency's discretion, since the agency is responsible for defining its needs and identifying the best method for accommodating them. *VSE Corp.*, B-414057.2, Jan. 30, 2017, 2017 CPD ¶ 44 at 8. In reviewing protests challenging an agency's evaluation of proposals, our Office will not reevaluate proposals, but rather will examine the record to determine whether the agency's judgment was reasonable and in accord with the stated evaluation criteria and applicable procurement statutes and regulations. *Id.* A protester's disagreement with the agency's judgments, without more, is insufficient to render the evaluation unreasonable. *Armedia, LLC*, B-415525 *et al.*, Jan. 10, 2018, 2018 CPD ¶ 26 at 4.

As noted, the agency concluded that Quanterion did not describe its approach to establish and maintain relationships with the COCOMs, laboratories and PEOs. AR, Tab 24, SSEB Report at 31. The agency explains that a discussion of staff experience is not sufficient to satisfy the requirement. More specifically, the agency explains that COCOMs are mentioned in several areas of Quanterion's proposal, but in sections intended to address different solicitation requirements. Supp. COS at 13. For example, in its approach to conducting continuous domain knowledge assessment, Quanterion notes that the participation of its subject matter expert in [DELETED] demonstrates its intention to engage in strategic partnerships. *Id.* However, this does not detail its approach and methods to maintain relationships and expand its offerings of ETIs and STOs, as required by the solicitation. *Id.* Accordingly, we find that the weakness was reasonably assigned.

Operations Approach and Management Approach--Additional Strengths

Quanterion's proposal was assigned two strengths under technical subfactor 2, operations approach, and no strengths under technical subfactor 3, management approach. Quanterion protests that its proposal should have been assigned additional strengths under the operations approach subfactor and multiple strengths under the management approach subfactor.

For example, under subfactor 2, evaluation criterion M3.2.2.2.1 provides, in relevant part:

The proposal details the Offeror's approach, techniques, resources, and sources to monitor and extract [cybersecurity], [defense systems], and [homeland defense] domain related [scientific and technical information (STI)] from engineering, technical, and scientific information where the STI was funded, at least in part, by the DOD or U.S. government. . . .

RFP amend. 3 at 93. According to Quanterion, limiting IAC's analysis to only DOD or government funded STI presents a significant risk by omitting the review of commercially-developed capabilities that may be advantageous to the warfighter. Quanterion explains that it accurately recognized that risk and proposed the [DELETED]. Quanterion complains that its proposal therefore exceeded the solicitation requirements, and should have been assigned a strength.

The agency, however, explains that including [DELETED] is not advantageous to the government and could expose the government to legal liability for data rights infringement. COS at 34. Accordingly, we find that the agency reasonably did not assign Quanterion's proposal a strength for [DELETED]. In this regard, while Quanterion asserts that the requirement also allows for STI that has been funded in part by the government, Quanterion argues that it was proposing to [DELETED]. Quanterion does not argue that this [DELETED]. See Protest at 61 (Quanterion's proposal highlighted the collection and analysis of government-funded "and non-government funded STI.").

With respect to technical subfactor 3, management approach, criterion M3.2.2.3.4 required, in relevant part:

The proposal details the Offeror's plan to make continuous program improvements and the Offeror's approach to plan, monitor and report performance.

RFP amend. 3 at 95. Quanterion explains that its proposal describes how the company's operation of the [DELETED], which included seven successful past and present IAC directors. Comments at 45. According to Quanterion, the agency failed to recognize the strength of having an unprecedented collection of IAC experience across a wide range of technologies to review current practices and performance and consult on new and unique opportunities to improve the consolidated BCO. Protest at 65. Quanterion argues that the provided oversight, which would be at the company's expense, clearly exceeds requirements and is highly advantageous to the government, thus meriting the assignment of a strength. *Id.*

We find that the agency reasonably did not assign Quanterion's proposal a strength for its collection of IAC experience. In this regard, the agency explains that in its proposal,

Quanterion explained that the [DELETED] experience, would provide additional guidance and insight to ensure successful operations under the new contract. COS at 40; (*citing* AR Tab 15, Quanterion Proposal, Table L4.5-1 at 46). Further, according to Quanterion, [DELETED] would leverage the lessons learned from more than 30 years of IAC experience. AR, Tab 15, Quanterion Proposal at 15 and 52. However, as the agency notes, Quanterion is relying on the experience of [DELETED] to argue that it should have been assigned a strength. COS at 40. This does not demonstrate a plan to make continuous program improvements or monitor and report performance. Moreover, the [DELETED] is mentioned only twice in the proposal, and Quanterion did not identify how the group would exceed the requirement for a plan to make continuous improvements or plan and monitor performance.⁵ *Id.* Finally, the agency notes that the proposal did not say this was at the offeror's expense. *Id.* Based on this record, Quanterion has not demonstrated that it should have been assigned a strength for showing how it would make continuous program improvements and monitor and report performance.

Price/Cost

Quanterion protests that the agency erroneously evaluated its cost/price. The solicitation provided that each offeror's total evaluated price would be evaluated by adding together the proposed cost price, the cost-plus-fixed-fee of the three transition plans, and the cost for the extension of services. RFP amend. 3 at 95. The solicitation also provided that the agency would perform a cost realism analysis of the cost-plus-fixed-fee items and compute the offerors' most probable cost. *Id.*

The agency evaluated Quanterion's proposed total price at \$91,215,215 and reduced it in its most probable cost analysis to \$91,053,324. AR, Tab 24, SSEB Report at 38. The protester complains that its actual proposed price was \$89,980,255. Protest at 60. The agency acknowledges that it made an error in performing its cost analysis. COS at 30. The agency explains in this regard that the agency added \$1,234,960 as other direct costs because it did not recognize that these costs had already been included in one of the line items. *Id.* The agency notes that this error also resulted in SURVICE's proposed costs being evaluated as \$89,489,901, rather than \$87,800,749. *Id.* The agency asserts that the error was immaterial as it effected both offerors. *Id.*

We agree with the agency that the error was immaterial. Quanterion argues that the error could have affected the agency's cost realism analysis of SURVICE's proposal, but fails to explain how this error affected the cost realism analysis of the cost-plus-fixed-fee items. See Comments at 5-6. Although Quanterion argues that an accurate

⁵ In its comments on the agency report, Quanterion also argued that its proposal provided a detailed description of the approaches it would implement to include a [DELETED] much of the reporting activity to free resources to pursue additional technical activities. Comments at 46. Quanterion's protest argument, however, was limited to why it should have been assigned a strength due to its proposed [DELETED]. Protest at 65.

cost realism analysis using the \$87,800,749 figure would conclude that a proposed cost of 28 percent lower than the independent government cost estimate was unrealistic, there is nothing in the record to support this conclusion. When conducting the cost realism analysis, the agency reviewed the cost-plus-fixed-fee elements--the labor and escalation rates. AR, Tab 24, SSEB Report at 65-66. In this regard, we note that the cost realism analysis resulted in reduced costs for both Quanterion and SURVICE. As nothing in the proposals changed, and the only issue was the double counting of the other direct costs, we find no basis to conclude that this error affected the price analysis or the award decision. GAO will not sustain a protest where the protester does not demonstrate competitive prejudice even where the agency made an error in its evaluation.⁶ See *Interfor US, Inc.*, B-410622, Dec. 30, 2014, 2015 CPD ¶19 at 7.

The protest is denied.

Thomas H. Armstrong
General Counsel

⁶ The protester also argues that the agency incorrectly computed its full-time equivalents (FTEs). Comments at 6-7. The agency, in comparing Quanterion's FTEs to the independent government estimate, noted that Quanterion had [DELETED] FTEs. AR, Tab 25, Initial Evaluation Brief at 71. Quanterion, however, proposed [DELETED]. Comments at 7. Quanterion argues that this mistake increased its evaluated "cost per labor hour delivered," thereby prejudicing Quanterion. *Id.* Quanterion also argues that the agency used the incorrect number when comparing FTEs and making an unbalanced offeror analysis. *Id.* The agency's evaluation for unbalanced pricing states that it compared the number of FTEs proposed for each year to the number of FTEs in the independent government estimate. See AR, Tab 24, SSEB Report at 39. The agency concluded that the Quanterion proposal was acceptable and balanced and there were no issues with the number of FTEs. *Id.* at 39. Quanterion has failed to show how computing four fewer FTEs resulted in any competitive prejudice.