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## Decision

**Matter of:** Appsential, LLC

**File:** B-419046.2; B-419046.3; B-419046.4

**Date:** January 22, 2021

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Stephanie B. Young, Esq., Kevin R. Hilferty, Esq., and Stephanie Villalta, Esq., Department of Energy, for the agency.  
Glenn G. Wolcott, Esq., and Christina Sklarew, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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### DIGEST

1. Agency's evaluation of protester's and awardee's quotations under the price and non-price evaluation factors was reasonable and consistent with the terms of the solicitation and applicable statutes and regulations.
  2. Agency's evaluation of the prices submitted in protester's and awardee's quotations, including the agency's consideration of labor mix and level of effort associated with each, was reasonable and consistent with the terms of the solicitation and applicable statutes and regulations.
  3. In performing the best-value tradeoff determination, the source selection official considered and compared the competing quotations and reasonably concluded that the potential benefits of protester's higher-rated quotation did not warrant the associated price premium.
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### DECISION

Appsential, LLC, of Germantown, Maryland, protests the Department of Energy's (DOE) establishment of a blanket purchase agreement (BPA) and issuance of initial task orders to General Dynamics Information Technology, Inc. (GDIT), pursuant to solicitation No. 89303019QCF000008 and request for quotations (RFQ) No. 1395153, to operate and maintain certain business systems for DOE. Appsential, the incumbent contractor, challenges the agency's evaluation of Appsential's and/or GDIT's quotation under each evaluation factor, and also challenges the agency's best-value tradeoff

which concluded that the technical advantages of Appsential's quotation did not warrant its \$61 million (59 percent) price premium.

We deny the protest.

## BACKGROUND

On November 26, 2019, pursuant to the provisions of Federal Acquisition Regulation (FAR) section 8.405, the agency issued the RFQ to contractors holding General Services Administration Federal Supply Schedule (FSS) 70 contracts with special item number (SIN) 132-51, seeking quotations to provide operations and maintenance support services for DOE's corporate business systems (CBS).<sup>1</sup> The solicitation provided for establishment of a single-award BPA, with a 36-month base ordering period and two 24-month option periods, and stated that five initial orders would be placed at the time of award.<sup>2</sup> Agency Report (AR), Tab A.2, RFQ amend. 1 at 2-4.<sup>3</sup> The objective of this procurement is to "obtain day-to-day operational and maintenance (O&M) support" for the systems within the CBS Program.<sup>4</sup> COS/MOL, Nov. 20, 2020, at 3. As amended, the solicitation provided for award on the basis of a best-value tradeoff, and established the following evaluation factors, listed in descending order of importance: (1) corporate experience;<sup>5</sup> (2) demonstrated understanding of the technical

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<sup>1</sup> CBS is managed by DOE's Office of the Chief Financial Officer; provides for "the stewardship of DOE's financial management, procurement and human capital systems"; and is comprised of several major business systems (including DOE's funds distribution system, standard accounting/reporting system, human resource information system, and procurement enterprise system). Contracting Officer's Statement and Memorandum of Law (COS/MOL), Nov. 20, 2020, at 2.

<sup>2</sup> The five initial orders are for: (1) program services; (2) business applications; (3) data management; (4) the National Nuclear Security Administration; and (5) program management. In addition to a master performance work statement (PWS), the solicitation contained a separate PWS for each of the initial orders.

<sup>3</sup> All citations to the RFQ in this decision refer to AR, Tab A.2, RFQ amend. 1. The cited page numbers refer to the Bates numbers provided with the agency report.

<sup>4</sup> More specifically, the solicitation provides that O&M support will include "upgrades, patches, and other enhancements"; "rapid resolution of any serious system issues that may arise"; and "assist[ance] with the migration of upcoming/future implementations or enhancements as well as modif[ication of] existing production code." RFQ at 68.

<sup>5</sup> Under this factor, the solicitation directed vendors to submit up to five "separate narratives" describing their corporate experience, and provided that the agency would assess "the extent to which the corporate experience . . . is similar in scope, size, and complexity" to the BPA requirements. RFQ at 42, 54. The solicitation also provided that the corporate experience of major subcontractors, team members and affiliates

requirement (hereinafter referred to as “technical understanding”);<sup>6</sup> (3) management approach and key personnel;<sup>7</sup> and (4) price.<sup>8</sup> RFQ at 49-50. The solicitation provided that the non-price factors, combined, were more important than price, but also warned that “the Government will not make an award at a price premium it considers disproportionate to the benefits associated with [a higher technically-rated quotation].” *Id.* at 52.

On or before the April 27, 2020 closing date, quotations were submitted by five contractors, including Appsential and GDIT.<sup>9</sup> Thereafter, the quotations were evaluated and, on August 14, the agency announced its selection of GDIT. On August 24, Appsential filed its first protest with our Office. In that protest Appsential challenged various aspects of the agency’s evaluation, including the evaluation of GDIT’s proposed workforce.

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would be considered, provided the quotation demonstrated “meaningful involvement in contract performance” by such entities. *Id.* at 42.

<sup>6</sup> Under this factor, the solicitation provided that the agency would evaluate “the contractor’s written narrative” with regard to: “demonstrated comprehension” of the requirements; “[t]he proposed approach and the tasks to be performed and deliverables to be provided in light of the proposed approach”; “measureable performance standards for those tasks”; “the people, tools, processes, and methods to be used in performance of the tasks”; “underlying assumptions with respect to this effort”; and the “soundness, practicality and feasibility” of the proposed approach. RFQ at 54.

<sup>7</sup> Under this factor, the solicitation stated that the agency: “will evaluate the Quoter’s ability to organize and manage all aspects of the CBS O&M program”; “may consider . . . ability to retain valuable contract employees”; and “will evaluate key personnel for demonstrated leadership; demonstrated experience in performing work similar to [the BPA requirements]; and professional development and qualifications . . . to determine the extent to which each individual satisfies or exceeds position qualification requirements.” *Id.* at 54-55.

<sup>8</sup> With regard to price, the solicitation: identified various positions, and associated qualification requirements, that “will or may be required during the life span of this contract”; instructed vendors to “propose their unique labor mix” by submitting fully burdened labor rates and levels of effort for labor categories on their FSS contracts; stated that total evaluated price would be calculated by combining the total prices for the five initial orders; provided that quoted rates/prices “will be evaluated separately from the technical evaluation”; and provided that price would be evaluated for “compliance with instructions and completeness” as well as “fairness and reasonableness.” *Id.* at 55, 135, 170-89. The solicitation did not provide for a price realism analysis.

<sup>9</sup> The quotations submitted by the other three contractors are not relevant to this protest and are not further discussed.

By letter dated September 10, DOE stated that it would take corrective action in response to Appsential’s August 24 protest, elaborating that: “DOE intends to review the Key Personnel evaluation to ensure it is in accordance with the terms of the Solicitation, and make any changes as deemed appropriate. DOE may also review the remainder of the evaluation and address any additional issues as necessary.” Letter from DOE to GAO, Sept. 10, 2020, at 1. Based on DOE’s corrective action, we dismissed Appsential’s August 24 protest.

Thereafter, the agency reviewed and updated its evaluation and source selection decision documentation, again concluding that GDIT’s quotation reflected the best value to the government. The agency’s final evaluation reflected the following ratings:<sup>10</sup>

	<b>Corporate Experience</b>	<b>Technical Understanding</b>	<b>Mgmt. Approach/ Key Personnel</b>	<b>Price</b>
<b>Appsential</b>	Outstanding	Outstanding	Good	\$150,947,982
<b>GDIT</b>	Good	Good	Good	\$ 89,784,156

AR, Tab B.4, Addendum to Basis of Award at 3-4.

In evaluating the quotations under the non-price factors, the technical evaluation committee (TEC) identified various strengths and significant strengths<sup>11</sup> associated with each quotation.<sup>12</sup>

<sup>10</sup> In evaluating quotations under the non-price evaluation factors, the agency assigned adjectival ratings of outstanding, good, acceptable, marginal or unacceptable. Of relevance here, a rating of outstanding was assigned to a quotation that “demonstrates a comprehensive understanding of the contract requirements and a highly effective approach to perform the work that results in a very high probability of successful contract performance with the likelihood that performance expectations will be significantly exceeded.” RFQ at 52. A rating of good was assigned to a quotation that “demonstrates a good understanding of the contract requirements, and an effective approach to perform the work that results in high probability of successful contract performance with the likelihood that performance expectations will be exceeded.” *Id.*

<sup>11</sup> In assigning ratings, the agency made assessments regarding strengths, significant strengths, weaknesses, deficiencies and/or risks in each quotation. Of relevance here, the solicitation defined a strength as “an attribute in a quote that enhances the merit of the quote or increases the probability of successful contract performance,” and defined a significant strength as “[a]n attribute in a quote that appreciably enhances the merit of a quote or appreciably increases the probability of successful contract performance.” RFQ at 53.

<sup>12</sup> Under the corporate experience factor, the TEC identified two significant strengths and seven strengths in Appsential’s quotation, leading to a rating of outstanding; and identified one significant strength and two strengths in GDIT’s quotation, leading to a rating of good. AR, Tab B.3, Addendum to Final TEC Report at 1-2. Under the

In evaluating price, the contracting officer compared the prices of the five quotations, concluding that the prices quoted by Appsential and GDIT were fair, reasonable, and complete. Consistent with the provisions of section 8.405-2 of the FAR,<sup>13</sup> the contracting officer also considered the level of effort and labor mix reflected in each quotation for each of the five initial orders. AR, Tab B.5, Price Evaluation at 6-22. In this context, the contracting officer noted that “[GDIT’s] labor mix and level of effort are lean and [this] creates some risk,” but also noted that its staffing was “consistent with the unique technical approach provided by [GDIT in its] quote.” *Id.* at 21. The contracting officer elaborated that “[f]or example, GDIT proposed an approach involving cross-training of personnel . . . and proposed to target high-performing incumbent staff.” *Id.* In considering the quotations’ labor mixes and levels of effort, the contracting officer also considered some historical data.<sup>14</sup> Based on a comparison to the available historical data,<sup>15</sup> the contracting officer concluded that GDIT’s quotation for order No. 3 (data management), reflected “fewer resources than are currently used to perform the

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technical understanding factor, the TEC identified seven strengths in Appsential’s quotation, leading to a rating of outstanding; and identified two strengths with one weakness in GDIT’s quotation, leading to a rating of good. *Id.* Under the management approach/key personnel factor, the agency identified two strengths in Appsential’s quotation, leading to a rating of good; and identified three strengths in GDIT’s quotation, leading to a rating of good. *Id.*

<sup>13</sup> Section 8.405-2 of the FAR sets forth the FSS ordering procedures for services that require a statement of work. As relevant here, this provision states that, as part of the evaluation, “The ordering activity is responsible for considering the level of effort and the mix of labor proposed to perform a specific task being ordered, and for determining that the total price is reasonable.” FAR 8.405-2(d). As our decisions recognize, the FAR does not elaborate on the method or extent of consideration an agency is responsible for giving to a vendor’s proposed level of effort and labor mix. See, e.g., *ASRC Federal Data Solutions, LLC*, B-417655 *et al.*, Sept. 18, 2019, 2019 CPD ¶ 325 at 5 n.5; *Advanced Tech. Sys., Inc.*, B-296493.6, Oct. 6, 2006, 2006 CPD ¶ 151 at 6. Our decisions also have recognized that agencies conducting procurements using FAR part 8 are not required to conduct a formal evaluation of the kind typically performed in a negotiated procurement under FAR part 15. *Id.*

<sup>14</sup> The contracting officer states that he considered information “compiled from invoices submitted on the incumbent contract” over the last two years. AR, Tab E.2, Declaration of Contracting Officer at 1-2. The contracting officer elaborates that he considered labor mix and level of effort “primarily . . . in light of the unique technical approaches proposed by each quoter,” and that “[m]y use of historical pricing . . . was secondary to my review of each quoter’s unique technical approach.” *Id.*

<sup>15</sup> A portion of the incumbent contract is performed on a fixed-price basis. Accordingly, invoices for that portion of the contract do not identify labor hours/labor categories, and did not provide historical data for comparison. Supp. AR, Dec. 8, 2020, at 4 n.5.

requirements” and “fewer [redacted] resources.” *Id.* With regard to order Nos. 1, 2, 4, and 5, the contracting officer noted that the labor mixes and levels of effort in GDIT’s quotation were “lean,” but “more in line with the historical approach.” *Id.* Overall, as noted above, the contracting officer recognized that GDIT’s “lean” staffing “creates some risk.” *Id.*

Thereafter, the agency’s source selection official (SSO) reviewed the entire evaluation record.<sup>16</sup> In conjunction with his review, the SSO considered and compared multiple differing aspects of Appsential’s and GDIT’s quotations, documenting his review and consideration in a detailed source selection document.

With regard to the evaluation of Appsential’s quotation under the corporate experience factor, the SSO noted that Appsential “was the only quoter to receive an Outstanding rating,” and referenced the multiple strengths and significant strengths identified in Appsential’s quotation, including: CMMI (capability maturity model integration) Level 3 [redacted]; experience with [redacted]; experience with [redacted] initiatives; and elimination of “the need for a transition period” due to its incumbency. AR, Tab B.2, Basis of Award at 6.

With regard to factor 2, technical understanding, the SSO again noted that “Appsential was the only quoter to receive an Outstanding rating,” and referenced various strengths in its quotation, including its approach to change management; knowledge of issues/complications arising during a financial-statement audit; [redacted]; and [redacted]. *Id.* at 7; AR, Tab B.4, Addendum to Basis of Award at 3. With regard to factor 3, management approach/key personnel, the SSO acknowledged the two strengths in Appsential’s quotation including [redacted] and key personnel. AR, Tab B.2, Basis of Award at 7; Tab B.4, Addendum to Basis of Award at 1.

With regard to evaluation of GDIT’s quotation under the corporate experience factor, the SSO referenced the various strengths/significant strength in GDIT’s quotation, noting its experience implementing “Oracle EBS [e-Business Suite]”; its experience “with proactive approaches and mature methodologies, such as Lean Six Sigma”; and its experience with “applying cyber security testing.” AR, Tab B.2, Basis of Award at 7. With regard to the second evaluation factor (technical understanding), the SSO referenced the strengths in GDIT’s quotation regarding improvements to help desk support and its “robust” approach to using [redacted] to prevent problems. *Id.* at 8. The SSO also recognized an evaluated weakness in GDIT’s quotation<sup>17</sup> based on GDIT’s suggested use of a “new tool such as [redacted] for system administration.” *Id.* The SSO agreed with the TEC that [redacted] would have little to no use in the CBS

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<sup>16</sup> The agency states that during the source selection process, the SSO met frequently with the evaluators, reviewed the TEC report, discussed the report with the TEC chair, reviewed the contracting officer’s price evaluation, and discussed that evaluation with the contracting officer. COS/MOL, Nov. 20, 2020, at 9.

<sup>17</sup> The RFQ defined a weakness as “[a] flaw in the quote that increases the risk of unsuccessful contract performance.” RFQ at 54.

environment”; and noted that “GDIT has less knowledge of the CBS systems than the incumbent”; but concluded that this weakness presented only “limited risk” and was “not enough to lower GDIT’s rating from Good.” *Id.* With regard to the third evaluation factor (management approach/key personnel), the SSO referenced the strengths in GDIT’s quotation with regard to “lessons learned from previous engagements”; use of “cross site teams to optimize efficiencies”; and key personnel. Based on these strengths, the SSO concluded that GDIT “has a slight edge over Appsential” under the third evaluation factor. AR, Tab B.4, Addendum to Basis of Award at 2.

In documenting his review of the two quotations, the SSO also addressed their differing prices, noting that GDIT’s substantially lower price reflected a smaller and [redacted] workforce. Specifically, the SSO noted that Appsential’s price was “approximately \$61M[illion] higher than GDIT’s”; recognized that GDIT’s average labor rates “are about 22% less than Appsential’s,” and that “GDIT labor hours in total are nearly 23% less than Appsential’s”; characterized Appsential’s staffing as “somewhat [redacted]”; and concluded that GDIT’s “lean” staffing approach was “consistent with its unique technical approach,” but still “create[s] some risk.” AR, Tab B.2, Basis of Award at 16.

Following his detailed review and comparison of the two quotations, the SSO concluded:

Appsential is the highest-rated quoter based on technical evaluation alone. It has a number of Significant Strengths and Strengths which merited its Outstanding rating for Factors 1 and 2, and its experience as the incumbent would be a benefit to the Government both for its technical approach and its speedier transition. However, Appsential’s total evaluated price is \$61M[illion] higher than GDIT’s. As discussed above, I found that GDIT proposed a solid technical approach which is likely to exceed performance expectations, and I concur with the [contracting officer’s] finding that all quoters’ pricing was fair and reasonable, and the labor mixes and levels of effort were consistent with the proposed approaches and sufficient to perform the requirement.

In considering the best value to the Government between these two quotes, I find that Appsential’s quote does not warrant a price premium as the result of the technical advantages in their quote. The difference in price is that Appsential is \$61,163,826 or 59.48% higher than GDIT. I find that the additional significant strengths and strengths that Appsential received do not warrant an added \$61,163,826 in price. . . .

After consideration of the Technical Evaluation Committee report and the Contracting Officer’s Price Reasonableness Determination and for the

reasons documented above, the quote submitted by GDIT represents the best value to the Government.

AR, Tab B.2, Basis of Award at 17-18.

On October 5, 2020, Appsential was notified that the agency had completed its corrective action, taken in response to Appsential's August 24 protest, and had again selected GDIT. On October 15, Appsential filed this protest with our office, again challenging the agency's actions under this solicitation. Based on the agency's responses to its October 15 protest, Appsential filed supplemental protests on November 12 and November 30 (referred to here as "First Supp. Protest" and "Second Supp. Protest," respectively).

## DISCUSSION

Appsential's protests challenge the agency's evaluation of GDIT's quotation under each evaluation factor; assert that Appsential's quotation should have received higher ratings under the non-price factors; and maintain that the agency's best-value determination was flawed. As discussed below, we find no basis to sustain Appsential's protests.<sup>18</sup>

### Evaluation of GDIT's Quotation

#### Corporate Experience

First, Appsential challenges the agency's evaluation of GDIT's quotation under the corporate experience evaluation factor, asserting that "[f]ew vendors," other than Appsential as the incumbent, have performed work similar to the requirements of the BPA. Protest at 7. Following the agency's document production, which identified the prior relevant contracts that GDIT and/or its corporate affiliates had performed, Appsential acknowledged that the agency's evaluation reflected the experience of "two [GDIT] affiliates, SRA International, Inc. and CSRA, LLC, on the CMS [Centers for Medicare & Medicaid Services] Healthcare Integrated General Ledger Accounting System ('HIGLAS') contract and the NASA Shared Services Center ('NSSC') contract, respectively,"<sup>19</sup> but complains that the agency had not considered the "sufficiency" of the affiliates' involvement in GDIT's performance of the BPA requirements. Comments, Dec. 2, 2020, at 6; First Supp. Protest at 23 n.7.

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<sup>18</sup> In filing and pursuing its protests, Appsential has made arguments that are in addition to, or variations of, those discussed below. We have considered all of Appsential's allegations and find no basis to sustain its protests.

<sup>19</sup> The agency assigned a significant strength related to performance of the HIGLAS contract, noting that "[t]he HIGLAS system is the largest federal deployment of Oracle EBS [E-Business Suite]." AR, Tab B.2, Basis of Award at 7. The agency assigned strengths related to performance of the NSSC contract, noting that it demonstrated "experience with proactive approaches and mature methodologies such as Lean Six Sigma," and "experience with applying cyber security testing." *Id.* at 7-8.

The agency responds by noting that GDIT's quotation meaningfully discussed the corporate affiliates' intended involvement in performing under this BPA, including identification of specific responsibilities and use of the affiliates' employees, resources, and knowledge. See AR, Tab D.1, GDIT Quotation Vol. 1 at 15-16. For example, the quotation stated that the GDIT affiliates will: provide the program manager and other personnel who have been involved in performing prior contracts with similar requirements; recommend improvements regarding "regulatory change, period-end processing improvements, and Oracle upgrades"; and assist in performing help desk requirements. *Id.* at 16.

It is well-settled that an agency may properly attribute the experience of affiliated companies to a vendor where the firm's quotation demonstrates that the resources of the affiliates--that is, their workforces, management, facilities or other resources--will have meaningful involvement in performing the contract. *Booz Allen Hamilton, Inc.*, B-418125 *et al.*, Jan. 15, 2020, 2020 CPD ¶ 28 at 6; *Ecompex, Inc.*, B-292865.4 *et al.*, June 18, 2004, 2004 CPD ¶ 149 at 5. Where such involvement is demonstrated, there is nothing objectionable in attributing the experience of the related entities to the business entity entering into the contract. *Booz Allen Hamilton, Inc.*, *supra*.

Here, we reject Appsential's assertion that the agency's evaluation of GDIT's quotation under the corporate experience factor was flawed. In this regard, the agency reasonably concluded that GDIT's quotation established the meaningful involvement of GDIT's affiliates in performing the BPA requirements. Accordingly, we find no basis to question the agency's assignment of strengths/significant strength to GDIT's quotation under the corporate experience factor based on its affiliates' performance of the prior contracts. Appsential's protest complaints in this regard are denied.

### Technical Understanding

Next, Appsential challenges the agency's evaluation of GDIT's quotation under the technical understanding evaluation factor. Specifically, Appsential asserts that the agency improperly assigned a rating of good to GDIT's quotation "notwithstanding its highly risky proposal to staff the work with a deficient and inexperienced labor mix." Protest at 8. Appsential further asserts that GDIT's "extraordinarily low price" and "[redacted] workforce" demonstrated GDIT's failure to understand the technical requirements, maintaining that Appsential "knows more than anyone else what it takes to perform this requirement." *Id.* at 8-9.

First, the agency responds that, to the extent Appsential's challenge to the evaluation of GDIT's quotation under the technical understanding factor is based on GDIT's "extraordinarily low price," the protest constitutes an assertion that a price realism analysis should have been performed--even though the solicitation did not provide for such analysis. COS/MOL, Nov. 20, 2020, at 36-37. Next, the agency notes that the solicitation directed each vendor to provide a written narrative discussing its proposed approach, and provided that the agency would evaluate each narrative by considering

“the people, tools, processes, and methods” to be employed. See RFQ at 53. In this regard, the agency states that GDIT’s narrative addressed all of these things—including identification of the key personnel, task-order leads, and the total number of personnel contemplated for each order. See AR, D.2, GDIT Quotation Vol. 2 at 12-26. Further, GDIT explained its approach to obtain efficiencies through cross-training, peer review, leveraging experienced personnel from its prior relevant contracts, and targeted “incumbent capture.” *Id.*

The agency found that GDIT’s narrative discussed specific tools, processes and methods for achieving improved efficiency—including the performance of a “robust” [redacted] to eliminate recurring problems, and building a “[redacted] that end users can use to help resolve issues without having to talk to a support person”—which the agency assessed as strengths. *Id.*; see AR, Tab B.1, TEC Report at 33-34. Further, the SSO specifically referenced these aspects of GDIT’s quotation in his source selection decision, noting that each “will improve the probability of successful contract performance,” and thereafter concluded: “I find that the proposed labor mix is capable of performing the contract.” AR, Tab B.2, Basis of Award at 8, 17. Finally, the agency states that it properly considered GDIT’s entire approach; for example, while it acknowledges an evaluated weakness in GDIT’s quotation based on use of a tool the agency did not view as helpful, it found that the strengths outweighed the single weakness; and asserts that it properly evaluated the quotation as good under this factor.

The evaluation of vendors’ technical quotations is a matter within the agency’s discretion, and GAO will not perform its own technical evaluation, or substitute its judgment for that of the procuring agency. See, e.g., *Metropolitan Interpreters & Translators, Inc.*, B-415080.7, B-415080.8, May 14, 2019, 2019 CPD ¶ 181 at 6; *NextStep Tech., Inc.*, B-416877, Jan. 3, 2019, 2019 CPD ¶ 16 at 4. Rather, GAO will examine the record to determine whether the agency’s judgments were reasonable and consistent with the solicitation’s stated evaluation criteria and applicable procurement statutes and regulations. *Id.* A protester’s disagreement with the agency’s judgments, without more, does not establish that an evaluation was unreasonable. *Id.*

Here, we agree with the agency that Appsential’s reliance on GDIT’s “extraordinarily low price” as a basis to challenge the evaluation of GDIT’s quotation constitutes an assertion that the agency was required to perform a price realism analysis—which was not permitted by this solicitation. See, e.g., *PricewaterhouseCoopers Public Sector LLP*, B-415129.3, July 31, 2018, 2019 CPD ¶ 272 at 2-3. Further, we find no other valid basis to question the agency’s evaluation of GDIT’s quotation under the technical understanding evaluation factor. As discussed above, the solicitation directed vendors to provide written narratives that the agency would evaluate by considering “the people, tools, processes, and methods” to be employed.

Our review of the record establishes that GDIT complied with the solicitation’s directive, and that the agency reasonably concluded that various aspects of GDIT’s approach, including the people, tools, processes, and methods were advantageous to the

government. While Appsential clearly disagrees with the agency's judgments and/or the extent of its analysis, it has not shown that the agency's judgements and conclusions were unreasonable or contrary to the terms of the solicitation or applicable statute or regulation.<sup>20</sup> Accordingly, Appsential's protest challenging the evaluation of GDIT's quotation under the technical understanding evaluation factor is denied.

#### Management Approach/Key Personnel

Next, Appsential challenges the agency's evaluation of GDIT's proposal under the management approach/key personnel evaluation factor. First, Appsential renews its complaints regarding GDIT's [redacted] staffing, complaining that GDIT's staffing approach "creates substantial risk" for management failure, and that such risk should have precluded the agency from assigning GDIT's quotation a rating of good under this evaluation factor. Protest at 18-19. Next, Appsential asserts that one of GDIT's proposed key personnel "did not meet the minimum qualification requirements prescribed [by the solicitation]."<sup>21</sup> Appsential acknowledges that the resume GDIT submitted for this position "stated in the summary section that the proposed individual

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<sup>20</sup> In its first supplemental protest, Appsential also asserts that the agency improperly evaluated GDIT's quotation with regard to GDIT's intent to build a [redacted] for users, to facilitate issue resolution without having to "talk to a support person or open a help desk ticket." See AR, Tab B.1, TEC Report at 34. Appsential asserts that, rather than a strength, this aspect of GDIT's quotation should have been evaluated as unacceptable on the basis that it "did not meet the minimal PWS requirements" to provide basic help desk support services (referred to as "Tier 1" support). First Supp. Protest at 16-18.

In its supplemental agency report, the agency fully responded to this allegation, noting that the PWS specifically provided that performance of the basic "Tier 1" help desk support included "resolving issues where possible by using frequently asked questions (FAQs)," see RFQ at 4; accordingly, the agency maintains that GDIT's approach to enhancing self-help services was consistent with the PWS requirements. We agree, and we reject Appsential's assertion that the agency should have evaluated GDIT's approach to performing the help desk requirements as non-compliant with the solicitation requirements and/or that the agency was precluded from reasonably evaluating that approach as a strength.

<sup>21</sup> Appsential challenges the resume of the individual GDIT proposed to fill the "BPA Order Lead Program Support Services" position. The solicitation provided that the individual filling this position must have "a minimum of 7 years of increasingly responsible experience in federal cyber security management with extensive knowledge of NIST [National Institute of Standards and Technology] 800 series publications to include: 800-30, 800-37, 800-53, 800-160 and 800-53a," along with "experience creating all necessary Security Authorization documentation" and "proficiency conducting and evaluating/analyzing results from . . . NESSUS [numerical evaluation of stochastic structures under stress], BURP [basic user registration protocol] Suite, [and] DBProtect." RFQ at 170-71.

met each of the requirements, nearly verbatim”<sup>22</sup> but, nonetheless, asserts that the solicitation required that the resume elaborate on the stated qualifications. *Id.* In this context, Appsential maintains that the resume did not provide sufficient additional information and, on that basis, asserts that “GDIT did not meet the minimum requirements.” First Supp. Protest at 22. Finally, Appsential asserts that the strength the agency assigned to GDIT’s quotation with regard to its governance plan<sup>23</sup> constituted application of “unstated evaluation criteria” because “[n]othing in the RFQ required quoters to propose a ‘governance plan.’” Second Supp. Protest at 10-12.

In response to Appsential’s renewed complaints regarding evaluation of GDIT’s [redacted] staffing, the agency notes that the solicitation’s evaluation criteria did not contemplate assessment of labor mix and level of effort under this factor,<sup>24</sup> and that, with regard to retention of employees, GDIT’s quotation detailed its employee retention approach which “includes offering training, equitable salaries and fringe benefits, as well as targeted incumbent capture.” COS/MOL, Nov. 20, 2020, at 50-51. In response to Appsential’s assertion that GDIT’s resume for one of its key personnel “failed to comply with the solicitation requirements,” the agency responds that, in fact, the resume explicitly stated that the individual not only met, but exceeded the qualification requirements. AR, COS/MOL, Nov. 20, 2020, at 56-59. In response to Appsential’s complaints regarding GDIT’s governance plan, the agency states that GDIT’s quotation included “a detailed approach to governance planning that was . . . informed by [GDIT’s] prior experience.” Supp. AR, Dec. 8, 2020, at 13-14. The agency further points out that, while the RFQ did not require a governance plan, it did require that vendors discuss their management approach, and that GDIT’s submission of a detailed governance plan was reasonably related to this requirement.

As noted above, our Office will not reevaluate quotations, nor substitute our judgment for that of the agency, but will only review the record to ensure that the agency’s evaluation was reasonable and consistent with the terms of the solicitation and applicable procurement laws and regulations. *Metropolitan Interpreters & Translators,*

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<sup>22</sup> Rather than the required 7 years, the resume specifically represented that the individual had “20+ years” performing the precise requirements identified in the solicitation. AR, Tab D.2, GDIT Quotation Vol. 2 at 62.

<sup>23</sup> GDIT proposed to leverage its experience on similar prior projects through implementation of a detailed “governance plan,” and this was evaluated as a strength in its quotation. AR, Tab B.2, Basis of Award at 8. The SSO concluded that GDIT’s detailed plan will “contribute[] to a lower level of risk to the government.” *Id.* at 15.

<sup>24</sup> As noted above, the solicitation stated that the agency: “will evaluate the Quoter’s ability to organize and manage all aspects of the CBS O&M program”; “may consider . . . ability to retain valuable contract employees”; and “will evaluate key personnel for demonstrated leadership; demonstrated experience in performing work similar to [the BPA requirements]; and professional development and qualifications . . . to determine the extent to which each individual satisfies or exceeds position qualification requirements.” RFQ at 54-55.

*Inc., supra; NextStep Tech., Inc., supra.* Further, while a solicitation must disclose evaluation factors, it need not specifically identify every element an agency may consider during an evaluation where such elements are intrinsic to, or reasonably subsumed within, the stated factors. See, e.g., *DM Petroleum Operations Co.*, B-409004, B-409004.5, Jan. 15, 2014, 2014 CPD ¶ 52 at 8-9.

Here, we reject Appsential's assertion that the agency's evaluation was flawed for failing to consider GDIT's [redacted] staffing in its evaluation under this factor. Rather, based on our review of the record, including the solicitation's stated evaluation criteria, we find no basis to question the reasonableness of the agency's evaluation of GDIT's proposed management approach. Further, we reject Appsential's assertion that the resume GDIT submitted to fill the key position, BPA Order Lead Program Support Services, failed to meet the solicitation's qualification requirements for that position. As Appsential acknowledges, the resume expressly represented that the individual not only met, but exceeded, the stated requirements. Finally, we reject Appsential's assertion that the agency applied an unstated evaluation factor in considering the merits of GDIT's governance plan. As the agency points out, while the solicitation did not require a governance plan, it did require vendors to discuss their management approach, and provided that the agency would evaluate that approach. Clearly, submission and evaluation of GDIT's detailed governance plan was subsumed within the solicitation's stated evaluation criteria. Appsential's protest challenging the agency's evaluation of GDIT's quotation under the management approach/key personnel factor is denied.

#### Price

Next, Appsential protests that the agency "unreasonably evaluated GDIT under the Price factor," asserting that GDIT's price "demonstrates that GDIT failed to understand the specific requirements" and suggesting that "GDIT submitted an incomplete pricing spreadsheet." Protest at 2, 20. In making this argument, Appsential repeatedly refers to its own proposed labor mix and levels of effort as benchmarks for concluding that GDIT's staffing was flawed. *Id.* at 9-17; First. Supp. Protest at 2-11.

Following the agency's document production, Appsential primarily asserts that the contracting officer's comparison of GDIT's proposed labor mix and level of effort to Appsential's staffing approach under the incumbent contract was flawed and rendered the price evaluation and award decision invalid. In this context, Appsential complains that GDIT's proposal of a smaller, [redacted] workforce, [redacted], First Supp. Protest at 4, maintaining that the historical information considered by the contracting officer was inaccurate and/or [redacted] that had been performing under the incumbent contract. First Supp. Protest at 9. For example, Appsential asserts that the contracting officer should have considered any position previously performed by a [redacted] or [redacted] to be "senior"--without regard to whether the word "senior" appeared in the position title in Appsential's invoices. Second Supp. Protest at 2-10.

In responding to Appsential's complaints regarding its price evaluation, the agency first notes that the solicitation provided that prices would be evaluated for "compliance with

instructions and completeness,” as well as “fairness and reasonableness,” but did not provide for a price realism evaluation.<sup>25</sup> See RFQ at 55. Accordingly, the agency maintains that, to the extent Appsential is asserting the agency should have assessed technical risk based on GDIT’s low price, the protest should be denied or dismissed. Next, the agency notes that GDIT’s price quotation was properly evaluated as complete and fully compliant with the solicitation instructions and--based on a comparison of prices submitted in the five quotations, as well as consideration of GDIT’s technical approach--reasonable. With regard to consideration of labor mix and level of effort, the contracting officer states that his analysis was performed primarily “in light of the unique technical approaches proposed by each quoter,” and that consideration of historical information was “secondary” and “only used as a single data point.” AR, Tab E.2, Declaration of Contracting Officer at 1; Supp. AR, Dec. 8, 2020, at 2. Consistent with the limited consideration given to the comparison with historical data (compiled from Appsential’s invoices over the last two years) the agency notes--and Appsential appears to agree--that the labor categories in the RFQ are identified with different nomenclature than the labor categories invoiced under the incumbent contract.<sup>26</sup> Supp. AR, Dec. 8, 2020, at 8-13. Accordingly, the agency maintains it reasonably performed the price evaluation of GDIT’s quotation.

The manner and depth of an agency’s price analysis is a matter within the sound exercise of the agency’s discretion, and we will not disturb such an analysis unless it lacks a reasonable basis. *Gentex Corp.--Western Operations*, B-291793 *et al.*, Mar. 25, 2003, 2003 CPD ¶ 66 at 27-28. In reviewing a protest against the propriety of an evaluation, it is not our function to independently evaluate proposals. *Decisive Analytics Corp.*, B-410950.2, B-410950.3, June 22, 2015, 2015 CPD ¶ 187 at 11. Rather, we will review an evaluation to ensure that it was reasonable and consistent with the evaluation criteria in the solicitation and applicable procurement statutes and regulations. *Id.*

Here, based on our review of the record, we do not find the agency’s price evaluation to be unreasonable or inconsistent with the terms of the solicitation or applicable statutes and regulations. As discussed above, the solicitation advised that quotations would be evaluated to determine whether they were fair and reasonable, complied with the solicitation instructions, and complete--but did not provide for a price realism evaluation.

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<sup>25</sup> As referenced above, in conducting fixed-price or labor-hour procurements, competitors must be reasonably informed that negative consequences may result if their prices are considered unrealistically low; that is, that the agency could reject a proposal as unacceptable or assess technical risk. See, e.g., *Mountaineers Fire Crew, Inc. et al.*, B-413520.5 *et al.*, Feb. 27, 2017, 2017 CPD ¶ 77 at 11; *NJVC, LLC*, B-410035.2, Oct. 15, 2014, 2014 CPD ¶ 307 at 4; *Emergint Techs., Inc.*, B-407006, Oct. 18, 2012, 2012 CPD ¶ 295 at 5-6; *DynCorp Int’l LLC*, B-407762.3, June 7, 2013, 2013 CPD ¶ 160 at 9.

<sup>26</sup> Appsential states: “[T]he incumbent contract had different labor categories than the current RFQ.” Comments, Dec. 14, 2020, at 6.

Further, the record reasonably supports the agency's statements that, in considering each quotation's labor mix and level of effort, the agency did so primarily in the context of the quotation's technical approach. Accordingly, while a significant portion of Appsential's protest challenges the historical data the agency compiled for comparison purposes, Appsential's own statements support the reasonable view that the historical data the agency considered was limited in its relevance and, consistent with that assessment, the agency afforded only secondary importance and limited weight to the comparison. On this record, Appsential's protest challenging the agency's price evaluation is denied.

### Evaluation of Appsential's Quotation

Next, Appsential complains that, despite having received the highest ratings under the non-price evaluation factors, its quotation contained "strengths and significant strengths that were mistakenly not recognized by the agency." Protest at 22. More specifically, Appsential identifies various aspects of its quotation under each non-price evaluation factor that, in Appsential's opinion, should have been recognized as "significant strengths." *Id.* at 22-34.

For example, although its quotation received two significant strengths and seven strengths under the corporate experience factor, Appsential identifies four aspects of its quotation that it asserts "meet or exceed" the solicitation requirements, demanding that GAO find that each warranted assessment of a "significant strength." Protest at 22-24. Similarly, under the technical understanding evaluation factor, the agency identified seven strengths in Appsential's quotation; yet, Appsential complains that, "for at least four of these strengths," the agency "failed to articulate . . . why a strength, and not a significant strength, was warranted." *Id.* at 24. Appsential further asserts that "[i]n the absence of any explanation, GAO cannot find that the Agency's assessment of a strength, rather than a significant strength, has a reasonable basis." *Id.* at 25. Finally, Appsential identifies various aspects of its quotation that it asserts should have been evaluated as significant strengths under the management approach/key personnel factor. *Id.* at 27-31. In summary, Appsential asserts that "[e]ven though Appsential was the highest-rated offeror, there were significant areas that the Agency missed when evaluating Appsential's proposal." *Id.* at 31.

In responding to Appsential's protest, the agency has provided substantive responses to each of Appsential's allegations. COS/MOL, Nov. 20, 2020, at 14-19, 28-32, 45-50. Specifically, the agency's response addresses each area of Appsential's quotation that Appsential asserts should have been identified as a strength or significant strength, summarizing the bases for the agency's judgments.

As noted above, our Office will neither reevaluate quotations nor substitute our judgment for that of the agency. E.g. *Metropolitan Interpreters & Translators, Inc., supra*. Here, the record contains no support for Appsential's assertions that the agency's evaluation of Appsential's quotation was unreasonable; Appsential's assertions to the contrary are denied.

## Best-Value Determination

Finally, Appsential challenges the agency's best-value tradeoff, repeating its various challenges to the agency's evaluation judgments that are discussed, and rejected, above; asserts that the agency's documentation of its tradeoff determination "provide[s] no explanation of why Appsential's advantages over GDIT in the non-price factors were not worth the additional cost"; complains that the agency "flippantly" dismissed concerns about GDIT's staffing approach; concludes that the agency had no reasonable basis to determine that "Appsential's numerous advantages . . . do not justify the additional cost"; and maintains that GAO "must sustain the protest." Protest at 31-32; First Supp. Protest at 11-16.

The agency responds by reiterating its responses to Appsential's prior challenges under each of the evaluation factors. The agency further notes that the SSO considered the staffing approach reflected in each quotation; recognized that Appsential's quotation reflected a higher level of staffing and a [redacted] approach; considered GDIT's "leaner" staffing, along with the potential efficiencies reflected in its technical approach; considered and compared the various strengths/significant strengths and the one weakness reflected in the quotations; documented his considerations; and concluded that the substantial price premium associated with Appsential's higher-rated quotation was not warranted. AR, COS/MOL, Nov. 20, 2020, at 69-79.

Source selection officials in best-value procurements have broad discretion in making price/technical tradeoffs, and the extent to which one may be sacrificed for the other is governed only by the tests of rationality and consistency with the solicitation's evaluation criteria. *PricewaterhouseCoopers LLP, IBM U.S. Federal*, B-409885 *et al.*, Sept. 5, 2014, 2014 CPD ¶ 289 at 20. Specifically, even where price is the least important factor, an agency may properly select a lower-priced, lower-rated proposal where the source selection official reasonably concludes that the price premium associated with the higher-rated, higher-priced proposal is not justified. See, e.g., *i4 Now Solutions, Inc.*, B-412369, Jan. 27, 2016, 2016 CPD ¶ 47 at 15.

Further, while the source selection decision must be adequately documented, there is no requirement to document every consideration factored into the tradeoff decision, nor is there a requirement to quantify the benefits provided by a higher-priced higher-rated proposal. See *Terex Gov't Programs*, B-404946.3, Sept. 7, 2011, 2011 CPD ¶ 176 at 3; *SBG Tech. Sols., Inc.*, B-410898.9, B-410898.12, Jun. 21, 2016, 2016 CPD ¶ 199 at 5. Rather, the requirement for adequate documentation is met where the record establishes that the selection official was aware of the relative merits and costs of the competing proposals. *General Dynamics Information Tech., Inc.*, B-415568, B-415568.2, Jan. 25, 2018, 2018 CPD ¶ 63 at 12; *Wyle Labs., Inc.*, B-407784, Feb. 19, 2013, 2013 CPD ¶ 63 at 11.

Here, the record establishes that, in making his best-value tradeoff determination, the SSO performed a comprehensive review and comparison of the competing quotations'

potential benefits as well as their respective costs. As discussed above, the SSO specifically recognized Appsential's multiple strengths/significant strengths; GDIT's fewer strengths/significant strength and one weakness; GDIT's [redacted] labor mix and lower levels of staffing, along with GDIT's technical approach; Appsential's [redacted] and higher levels of staffing; and the prices associated with both quotations. As discussed above, on the basis of his comprehensive review and analysis, the SSO concluded that the benefits associated with Appsential's higher-rated quotation did not warrant a \$61 million (59 percent) price premium. Based on the record here, we find no basis to question the SSO's best-value tradeoff determination.

The protest is denied.

Thomas H. Armstrong  
General Counsel