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Decision

Matter of: CACI, Inc.-Federal

File: B-419371.3

Date: February 26, 2021

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Per D. Midboe, Esq., and David L. Bodner, Department of the Navy, for the agency.

Lois Hanshaw, Esq., and Evan C. Williams, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

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

DECISION

CACI, Inc.-Federal (CACI), of Chantilly, Virginia, protests the issuance of a task order to Booz Allen Hamilton (Booz Allen), of McLean, Virginia, issued by the Department of the Navy under Request for Proposals (RFP) No. N00164-19-R-3503 for acquisition and integrated logistics support services for the Navy's Program Executive Office for Integrated Warfare Systems. CACI challenges discrete portions of the agency's technical and cost evaluation.

We deny the protest.

BACKGROUND

On April 26, 2019, the Navy issued the solicitation to holders of the Navy's SeaPort-NxG multiple award, indefinite-delivery, indefinite-quantity (IDIQ) contract. Contracting Officer's Statement (COS) at 1. The RFP contemplated the award of a cost-plus-fixed-fee task order for a base year and four 1-year option periods. Agency Report (AR)

Tab 2, RFP at 89.¹ The solicitation sought a contractor to assist with the development and management of cross-program and cross-organization policies and practices for the full range of acquisition and integrated logistics support services. *Id.* at 7.

Award would be made on a best-value tradeoff basis considering three evaluation factors, listed in descending order of importance: technical capability/management approach personnel and small business approach (referred to collectively as “technical approach”); past performance; and cost/price. *Id.* at 90-91. In this regard, the technical approach factor was more important than past performance, with the non-cost factors being significantly more important than the cost/price factor. *Id.* at 91. The RFP also advised that as competing proposals approached equality in the non-cost factors, the total evaluated cost would increase in importance. *Id.*

As relevant to this protest, the technical approach factor was comprised of three equally rated subfactors, including the management approach/plan subfactor. *Id.* Under the management approach/plan subfactor, offerors were required to demonstrate the ability to effectively manage all efforts under the task order and address four plans, including, as relevant here, a transition plan. *Id.* at 84.

For the transition plan, offerors were to provide a detailed description of the transition process for assuming responsibility from the incumbent, if applicable, within 60 days of award. The plan was to address areas such as facility clearances, hiring personnel after award, and how personnel will be properly trained and skilled with adequate security clearances. *Id.* at 84. The RFP required that staffing actions be completed by no later than 60 days after award and that the transition plan be consistent with the technical approach and cost proposal. *Id.* Additionally, offerors were required to address the following seven elements: transition team responsibilities; work turnover; incumbent capture; security requirements; quality assurance; training; and archived material. *Id.* at 84-85.

In evaluating the management approach/plan subfactor, the agency would evaluate the degree to which the plan provided an integrated team with a coordinated approach to work performance, demonstrated a clear understanding of task order reporting requirements, and assured quality long term support. *Id.* at 94. Proposals would also be assessed to determine the feasibility of the proposed management approach/plan for task achievement and the depth of understanding represented by that approach. *Id.* In addition, the agency would evaluate the degree to which the proposal addressed the key elements of each type of plan, including the transition plan. *Id.* Regarding the transition plan, the agency would analyze an offeror’s plan of action and milestones, risk mitigation strategies, and personnel recruitment approach with respect to understanding of the statement of work and the offeror’s ability to begin work immediately after award. *Id.* at 94.

¹ Citations are to the pages in the Adobe Portable Document Format (pdf) version of the document provided by the agency.

For the cost/price factor, offerors were required to provide a cost summary and narrative with substantiating cost information. *Id.* at 86. Offerors were required to address nine areas, including as relevant here, escalation of rates. *Id.* at 87. In this regard, the RFP encouraged offerors to propose a reasonable and realistic escalation factor consistent with company practices and estimated future increases in wages, and to provide a rationale or historical information to substantiate the proposed escalation rate(s). *Id.*

In terms of the evaluation of cost/price, the agency would perform a cost realism analysis of an offeror’s proposed costs; the RFP advised offerors to demonstrate cost credibility and the realism of proposed costs by submitting substantiating cost data for every proposed cost element. *Id.* The RFP stated that if an offeror did not substantiate the realism of proposed costs with sufficient support, the agency could adjust costs, assign increased cost risk, or not further consider a proposal for award. *Id.* at 86, 95.

After evaluating proposals, final ratings were as follows:

	Booz Allen	CACI
Technical Approach	Outstanding	Outstanding
Past Performance	Substantial confidence	Substantial confidence
Cost/Price	\$213,826,387	\$224,026,400

AR, Tab 7, Best-Value Decision at 2.

As relevant here, the technical evaluation team assessed a significant strength to Booz Allen’s proposal under the management approach/plan subfactor for its transition plan response. AR, Tab 5, Technical Evaluation Report at 20-21. The agency concluded that Booz Allen’s proposal offered a low risk, [DELETED] transition approach, identified a dedicated and experienced transition manager, and used an [DELETED] program for corporate recruiting. *Id.* at 20. The agency did not assess CACI’s proposal a strength or significant strength in this area.

The source selection authority (SSA) determined that despite nearly identical ratings, Booz Allen’s proposal offered a slight advantage under the technical factor based on Booz Allen’s proposed [DELETED] approach. AR, Tab 7, Best-Value Decision at 2, 6-9. The agency also found that CACI’s proposal offered a slight advantage under the past performance factor. *Id.* at 2. With respect to cost/price, the agency upwardly adjusted both Booz Allen’s and CACI’s escalation rates and found that Booz Allen’s proposal presented a moderate level of cost realism risk that CACI’s proposal did not. *Id.* at 13. As a result of this evaluation, the agency concluded that Booz Allen’s proposal offered the lowest cost/price. *Id.* at 12-13. Based on Booz Allen’s slight technical advantage and lower evaluated cost/price, the agency concluded that Booz Allen’s proposal offered the best value, even if, hypothetically, the offerors had presented the same evaluated cost/price. *Id.* at 15.

On October 9, 2020, the agency made award to Booz Allen. After requesting and receiving a debriefing, CACI protested to our Office on October 21. In response to that

protest, the Navy elected to take corrective action by reevaluating the protester's technical and cost proposals, documenting any changes in its evaluation, and expressly considering the impact of any change in the best-value tradeoff determination. COS at 7. Based on the agency's proposed corrective action, our Office dismissed that protest. *CACI, Inc.-Federal*, B-419371, B-419371.2, Nov. 5, 2020 (unpublished decision).

The agency completed its corrective action and documented a minor error in the technical evaluation. AR, Tab 8, Best-Value Decision Corrective Action Addendum at 2. Additionally, the agency decided to review CACI's total evaluated price using the calculations that CACI raised in its October 2020 protest. *Id.* The SSA concluded that even after completion of the agency's corrective action, Booz Allen's proposal remained superior to CACI's. *Id.* On November 9, the agency reaffirmed award to Booz Allen. CACI subsequently protested to our Office.²

DISCUSSION

In its initial protest filing, CACI raised numerous arguments about the agency's evaluation of the protester's technical and cost proposals. In its comments, filed after receipt of the agency's report, the protester withdrew all but the following two contentions: the agency unequally evaluated CACI's and Booz Allen's transition plans under the management approach/plan subfactor, and the agency unreasonably evaluated the protester's escalation factor under the cost evaluation. Comments at 1. For the reasons discussed below, we deny CACI's protest.

Disparate Treatment

CACI's sole challenge to the agency's non-cost/price evaluation is its contention that the agency disparately evaluated the protester's and awardee's transition plans under the management approach/plan subfactor. Specifically, the protester argues that as the incumbent, its transition plan was superior to and lower risk than Booz Allen's plan, which received a significant strength. CACI also argues that the agency should have assigned the protester's transition plan a significant strength. Protest at 19.

In response, the agency explains that the difference in the ratings was due to differences in proposals, rather than disparate treatment. Memorandum of Law (MOL) at 38. In this regard, the agency highlights three areas of Booz Allen's approach that prompted the agency to identify a significant strength: interfacing with the agency customer, high speed hiring and staffing, and a [DELETED] transition approach. *Id.* at 40.

² The awarded value of the task order at issue exceeds \$25 million. Accordingly, this procurement is within our jurisdiction to hear protests related to the issuance of orders under multiple-award, IDIQ contracts awarded by Department of Defense (DOD) agencies. 10 U.S.C. § 2304c(e)(1)(B).

In its comments on the agency report, the protester asserts that the agency unequally assessed proposals by assigning a significant strength for Booz Allen's 60-day plan, while not also assigning a strength to CACI's 30-day plan. CACI points out that its plan, similar to Booz Allen's plan, offered a dedicated and experienced transition manager who would work with agency personnel. Comments at 1. Additionally, the protester essentially argues that the agency should not have viewed Booz Allen's recruiting program as more advantageous than CACI's incumbent personnel, who were already in place and who held appropriate skills. *Id.* at 2 (citing AR, Tab 3.1, CACI Technical Proposal at C-15).

It is a fundamental principle of federal procurement law that a contracting agency must treat all vendors equally and evaluate their proposals evenhandedly against the solicitation's requirements and evaluation criteria. *Rockwell Elec. Commerce Corp.*, B-286201 *et al.*, Dec. 14, 2000, 2001 CPD ¶ 65 at 5. However, when a protester alleges unequal treatment in a technical evaluation, it must show that the differences in the evaluation did not stem from differences between the proposals. *IndraSoft, Inc.*, B-414026, B-414026.2, Jan. 23, 2017, 2017 CPD ¶ 30 at 7; *Paragon Sys., Inc.; SecTek, Inc.*, B-409066.2, B-409066.3, June 4, 2014, 2014 CPD ¶ 169 at 8-9. Accordingly, to prevail on an allegation of disparate treatment, a protester must show that the agency unreasonably downgraded its proposal for features that were substantively indistinguishable from, or nearly identical to, those contained in other proposals. *Battelle Mem'l Inst.*, B-418047.3, B-418047.4, May 18, 2020, 2020 CPD ¶ 176 at 5.

We find no basis to conclude that the agency's evaluation was unequal. The record shows that the agency assigned Booz Allen's proposal a significant strength due to its dedicated and experienced transition manager, its [DELETED] program for corporate recruiting, and its proposed low risk, [DELETED] transition approach. AR, Tab 5, Technical Evaluation Report at 20-21. With regard to the transition manager, the agency highlighted that the awardee's transition manager would work with the agency "[DELETED.]" *Id.*; AR, Tab 4.1, Booz Allen Technical Proposal at 78. While the protester points to a dedicated transition manager identified in its proposal, the protester does not specifically demonstrate that the transition manager intended to focus on incorporating the agency's priorities into its transition plan as did Booz Allen's proposal.

In addition, to the extent the protester contends that the agency should have viewed its incumbent personnel as equal to Booz Allen's recruiting program, we disagree. In our view, the agency reasonably concluded that CACI's mention of pre-existing management and project staff is not as detailed as Booz Allen's description of its recruiting program, which stated that [DELETED]. See AR, Tab 3.1 CACI Technical Proposal at C-15; AR, Tab 4.1, Booz Allen Technical Proposal at 81; MOL at 39-40 (finding that Booz Allen's plan provided detailed responses to each transition plan element, while CACI's proposed transition approach merely met requirements).

Further, the record shows that the agency found that Booz Allen's recruiting program reduced average placement time for staff from [DELETED] days to [DELETED] days and had the ability to identify [DELETED] candidates in a [DELETED]-day period. AR,

Tab 5, Technical Evaluation Report at 21. While finding that CACI's approach only met the solicitation's requirements, the agency found that Booz Allen's approach exceeded the RFP's requirements. *Id.* at 20-21; MOL at 40. Finally, the record also establishes that the agency's assessment of a significant strength for Booz Allen's proposal highlighted the awardee's [DELETED] transition approach. *Id.* at 20-21. In its protest filings, CACI does not identify a comparable feature in its proposal. Protest at 19; Comments at 2-3. Although the protester contends that its proposal was nearly identical to the awardee's, this allegation is not borne out by the record. On these facts, we find the agency's evaluation to be unobjectionable. Accordingly, we deny this basis of protest.

Escalation Factor

Next, the protester contends that the agency's evaluation of CACI's proposed escalation factor was flawed. In this regard, the protester contends that it offered rates in accordance with the escalation identified in DOD's Green Book, which the protester describes as containing the National Defense Budget Estimates for fiscal years 2020 through 2024. Protest at 8. The protester argues that the agency's decision not to accept these rates, and instead apply rates from a different source, was unreasonable. *Id.* at 9. Additionally, the protester contends that the agency's methodology for escalating rates was improper, and asserts that if the agency had escalated rates in accordance with the methodology proposed by CACI in its protest, CACI's proposal would have been found to offer a lower cost than Booz Allen's. *Id.* at 10.

The agency responds by explaining that it did not apply the escalation identified in DOD's Green Book because it concluded the book was not a reliable source for establishing escalation rates for non-government civilian employees who operate in the commercial marketplace. MOL at 47, 52. Moreover, the agency argues that the protester's one-sentence explanation for its proposed usage of these rates--*i.e.*, "[t]his escalation is reasonable and realistic as it will directly align us with our primary customer base"--did not explain why rates for DOD civilian employees, whose pay escalation is set by statute, should be applied to the commercial marketplace. *Id.* at 52 (citing AR, Tab 3.4, CACI Price Narrative at 7). The agency also notes that although CACI now asserts in its protest that the agency should have relied on CACI's historical escalation rates, CACI's proposal did not include any such rates. *Id.* at 54-58. In addition, the agency states that it applied a consistent methodology when evaluating each offeror's proposed costs, and even if the agency accepted the protester's proposed methodology, and applied it consistently to both Booz Allen's and CACI's proposals, Booz Allen's proposed cost would still be lower than CACI's. *Id.* at 49.

In its comments, filed after CACI had the opportunity to review the agency report, the protester does not rebut the agency's response other than to assert that nothing in the solicitation prohibited the usage of DOD's Green Book. See Comments at 2. In our view, the protester has abandoned this allegation. When an agency provides a detailed response to a protester's allegations and the protester fails to rebut or otherwise substantively address the agency's arguments in its comments, the protester provides

us with no basis to conclude that the agency's position with respect to the issue in question is unreasonable or improper, and we therefore find this protest ground abandoned and do not consider it further. See 4 C.F.R. § 21.3(i)(3); *KSJ & Assocs., Inc.*, B-409728, July 28, 2014, 2014 CPD ¶ 222 at 5.

In any event, based on our review of the record, we find nothing objectionable about the agency's cost analysis in this regard. Here, the solicitation advised that that the agency would adjust proposed costs where an offeror failed to substantiate the realism of its proposed costs. RFP at 86; 95. The record shows that the agency found that CACI's proposal did not provide historical data to substantiate its proposed escalation rate and that the agency did not view as realistic the escalation rates from the DOD Green Book, "which is a broad escalation factor taking into account all civilian employees under the General Schedule." AR, Tab 6, Cost Team Evaluation Report at 59. Accordingly, the agency adjusted the protester's escalation rate using a different source. On the record before us, we find the agency's actions here unobjectionable. *Logistics Mgmt. Inst.*, B-417601 *et al.*, Aug. 30, 2019, 2019 CPD ¶ 311 at 8-9 (finding unobjectionable agency's upward adjustment of proposed escalation rates where the contemporaneous record documented why the agency found the data provided was inadequate to substantiate the proposed low escalation rates).

The protest is denied.

Thomas H. Armstrong
General Counsel