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Decision

Matter of: Ajanta Consulting LLC

File: B-419523; B-419523.2

Date: April 2, 2021

Mark G. Jackson, Esq., and Stowell B. Holcomb, Esq., Jackson Holcomb, LLP, for the protester.

Devon E. Hewitt, Esq., Protorae Law PLLC, for PacArctic, LLC, the intervenor.

Maria Perez Rivera, Esq., and Kristopher Fischer, Esq., Department of the Navy, for the agency.

Christine Milne, Esq., and Tania Calhoun, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest that the agency's best-value tradeoff decision is flawed is denied where the record shows the decision was reasonable and consistent with the solicitation's terms.

DECISION

Ajanta Consulting, LLC, a small business of San Antonio, Texas, protests the award of a contract to PacArctic, LLC, a small business of Chantilly, Virginia, under request for proposals (RFP) No. N00030-19-R-4444, issued by the Department of the Navy for financial management support services. The protester argues that the agency made a flawed best-value tradeoff decision.

The protest is denied.

BACKGROUND

On May 30, 2019, the agency issued the RFP to procure United States and United Kingdom financial management support services and analysis to remain compliant with the Chief Financial Officer Act. The agency sought proposals from participants in the Small Business Administration's section 8(a) program and contemplated the award of a fixed-price contract to be performed over a 1-year base period and four 1-year option periods. Agency Report (AR), exh. 2, RFP, amend. 5 at 16.

Award would be made on a best-value tradeoff basis considering the following factors: past performance, corporate experience, customer relations management, technical

approach, and price. *Id.* at 29. Past performance was the most important factor, and the remaining non-price factors were equally important; all non-price factors, when combined, were significantly more important than price. *Id.* The importance of price would increase as the difference in the evaluated quality of proposals decreased, or when price was so significantly high as to diminish the value of a proposal's technical superiority. *Id.* Total prices would be evaluated for fairness and reasonableness. *Id.*

The agency received seven proposals, including those from Ajanta and PacArctic. Both proposals were included in the competitive range.¹ A source selection evaluation board (SSEB) completed its final evaluation with the following relevant results:

	Ajanta	PacArctic
Past Performance	Satisfactory Confidence	Satisfactory Confidence
Corporate Experience	Blue/Outstanding	Blue/Outstanding
Customer Relations Management	Purple/Good	Blue/Outstanding
Technical Approach	Purple/Good	Blue/Outstanding
Price	\$15,947,959	\$21,846,480

AR, exh. 14, Source Selection Decision Document (SSDD) at 60. In making her selection decision, the source selection authority (SSA) noted that she had reviewed the proposals, the SSEB's detailed evaluation report, and the post-business clearance memorandum; made a comparative assessment of the proposals; and selected PacArctic as the firm representing the best value to the government. *Id.* at 59. Her six-page source selection decision is comprised of a detailed individual and comparative analysis of each competitive range proposal under each evaluation factor, as well as her tradeoff decision as between Ajanta and PacArctic.

Under both the past performance and corporate experience factors, the SSA described and concurred with the SSEB's findings and concluded that neither proposal provided a clear advantage and they were essentially equal. *Id.* at 61-62.

Under the customer relations management factor, the SSA explained that Ajanta demonstrated a thorough approach and understanding of the requirements; its high-level approach to interacting with the Defense Finance and Accounting Services (DFAS) met the requirements and reduced the need for government oversight; and it had a thorough level of detail concerning interacting with the Office of Financial Operations (FMO). AR, exh. 14, SSDD at 61-62. In contrast, the SSA explained, PacArctic demonstrated an exceptional approach and understanding of the requirement. *Id.* The firm had an exceptionally detailed approach to interacting with FMO and DFAS that significantly reduced the need for government oversight. *Id.* In addition, the firm would leverage existing relationships and provided a more detailed process that prioritizes

¹ A third proposal in the competitive range is not at issue here.

coordination. The SSA found that PacArctic's approach to interacting with DFAS demonstrated a deeper understanding of the requirements and experience with the process. She concluded that PacArctic's approach was more valuable than Ajanta's because it would reduce the likelihood of unsuccessful performance and that its proposal was superior under this factor. *Id.*

Under the technical approach factor, the SSA found that Ajanta demonstrated a thorough approach and understanding of the requirements. *Id.* at 63. She stated that the firm's highly detailed approach to forensic accounting reduced the need for government oversight, and its approaches to other matters met the requirements. *Id.* On the other hand, the SSA found that PacArctic demonstrated an exceptional approach to and understanding of the requirements and demonstrated a deeper understanding of forensic accounting research, asset valuation, and property baselining efforts than Ajanta. *Id.* She concluded that PacArctic's approach was more valuable than Ajanta's because it would reduce the likelihood of unsuccessful performance, and that its proposal was superior under this factor as well. *Id.*

The SSA noted that Ajanta's price was lower than PacArctic's price, but that the RFP specified that all non-price evaluation factors, when combined, were significantly more important than price. *Id.* at 64. She stated that while the RFP provided that the importance of price would increase as differences in the evaluated proposals decreased or when price was so significantly high as to diminish the value of the technical superiority to the government, "[n]either situation is the case here." *Id.* She explained:

When considering all of the non-Price evaluation factors and their relative importance, PacArctic's proposal is clearly superior to Ajanta's proposal. The proposals are essentially equal under the Past Performance and Corporate experience factors, but PacArctic's proposal is more beneficial to the government under the Customer Relations Management and Technical Approach factors. . . . PacArctic's proposal was properly rated higher than Ajanta's for both factors and the underlying strengths in PacArctic's proposal are more valuable to the Government than any of the strengths found in Ajanta's proposal. PacArctic's proposed price is not so significantly high that it diminishes the value of the technical superiority of the proposal. The additional benefits provided by PacArctic's proposal under the Customer Relations Management and Technical Approach factors are clearly worth the approximately 38 [percent] price premium because PacArctic's proposal reduces the risk of unsuccessful performance more than Ajanta's proposal. Additionally, PacArctic's proposal is not considered significantly high as it is \$452,406.00 lower than the [independent government estimate]. . . .

Id. On December 29, the agency notified Ajanta that award had been made to PacArctic and on January 12, 2021, Ajanta filed this protest.

DISCUSSION

Ajanta argues that the agency's best-value tradeoff decision is flawed, without a rational basis, and violates the terms of the solicitation. Protest at 5. The firm specifically argues that the SSA failed to give price increased weight as required by the solicitation because there was no difference in quality between the two firms under the most important factor, past performance.

Source selection officials have broad discretion in determining the manner and extent to which they will make use of the technical and cost evaluation results, and their judgments are governed only by the tests of rationality and consistency with the stated evaluation criteria. *Solution One Industries, Inc.*, B-417441, *et al.*, July 9, 2019, 2019 CPD ¶ 252 at 17. Where, as here, a solicitation provides for a tradeoff between price and non-price factors, the agency retains discretion to make award to a firm with a higher technical rating, despite the higher price, so long as the tradeoff decision is properly justified and otherwise consistent with the stated evaluation and source selection scheme. Federal Acquisition Regulation 15.101–1(c), 15.308; *Solution One Industries, Inc.*, *supra*. In reviewing an agency's source selection decision, we examine the supporting record to determine if it was reasonable and consistent with the solicitation's evaluation criteria and applicable procurement statutes and regulations. *Solution One Industries, Inc.*, *supra*.

Ajanta has provided no basis to find the best-value tradeoff decision unreasonable. As noted above, the SSA expressly considered the solicitation's provision concerning the increased or decreased significance of price *vis-a-vis* the differences in proposals and found that "neither circumstance" was present here. AR, exh. 14, SSDD at 64. She explained that, while the proposals were essentially equal under the past performance and corporate experience factors, the additional benefits in PacArctic's proposal under the customer relations management and technical approach factors were "clearly worth" the price premium. *Id.* Ajanta has not challenged the SSA's reasoning underlying this conclusion. The fact that the past performance factor was the most important did not require the SSA to discount the benefits of PacArctic's proposal under the remaining non-price factors. *New Directions Technologies, Inc.*, B-412703.2, B-412703.3, Aug. 18, 2016, 2016 CPD ¶ 241 at 9 (an agency, in making its tradeoff analysis, ultimately may focus on a particular discriminator between proposals, even if it is not related to one of the most-heavily weighted evaluation factors, where it has a reasonable basis to do so). In short, Ajanta's position, bereft of analysis, is belied by the record.

The protest is denied.

Thomas H. Armstrong
General Counsel