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## Decision

**Matter of:** Booz Allen Hamilton, Inc.

**File:** B-419860; B-419860.2

**Date:** August 31, 2021

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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. Protest challenging the agency's evaluation of proposals under the most important factor, technical, is denied where the agency's evaluation, including consideration of the value associated with competing proposals, was reasonable and consistent with the terms of the solicitation.
  2. Protest asserting that, as the incumbent contractor, protester was entitled to a past performance rating that was superior to a non-incumbent offeror's rating is dismissed for failing to state a valid basis for protest.
  3. Protest that agency was required to upwardly adjust the awardee's proposed transition costs for evaluation purposes is denied where the agency's evaluation of awardee's proposed costs was reasonable and consistent with the solicitation requirements.
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### DECISION

Booz Allen Hamilton, Inc. (BAH), of McLean, Virginia, protests the Defense Threat Reduction Agency's (DTRA) issuance of a task order to Noblis, Inc., of Reston, Virginia, pursuant to task order request for proposals (TORP) No. HDTRA1-20-R-0001, to provide support for DTRA's cooperative threat reduction (CTR) program. BAH generally asserts that, as the incumbent contractor, its proposal was entitled to higher technical and past performance ratings than Noblis's proposal, and that the agency failed to properly evaluate Noblis's proposed costs for the transition period.

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

## BACKGROUND

On August 14, 2020, pursuant to Federal Acquisition Regulation (FAR) section 16.505, the agency issued the TORP to contractors holding General Services Administration One Acquisition Solution for Integrated Services multiple-award contracts.<sup>1</sup> The TORP sought proposals to provide advisory and assistance services for DTRA's CTR programs,<sup>2</sup> and contemplated a 1-year base performance period (including a transition period of up to 90 days) with four 1-year option periods. Offerors were advised that the agency intended to award a single cost-plus-award-fee task order based on a best-value tradeoff that considered the following evaluation factors: technical,<sup>3</sup> past performance,<sup>4</sup> and cost.<sup>5</sup> TORP at 82, 87, 100-102. Finally, the solicitation provided that the non-cost factors combined were significantly more important than cost. *Id.* at 101.

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<sup>1</sup> The agency notes that this is a follow-on requirement to a task order previously awarded to BAH. Memorandum of Law/ Contracting Officer's Statement (MOL/COS), June 23, 2021, at 2-3.

<sup>2</sup> Pursuant to the solicitation, the contractor will provide support in: planning, programming, budgeting, and executing all CTR programs; complying with applicable laws, policies, regulations and directives; and satisfying requirements for reporting and oversight. Agency Report (AR), Tab 3b\_01, Performance Work Statement (PWS) at 2-4. Among other things, the contractor will provide personnel with expertise in various areas, including weapons of mass destruction (WMD) and WMD-related systems; safety/security; international agreements; acquisitions; property management; training; and administrative support. *Id.* at 4-18.

<sup>3</sup> The technical factor contained four subfactors--(1) technical capability/understanding; (2) management plan; (3) small business subcontracting; and (4) staffing approach--and provided that factors 1, 2, and 4 were of equal importance, and that each of these was more important than subfactor 3. AR, Tab 3b, TORP at 100-103. Offerors were advised that the agency would assign adjectival ratings of outstanding, good, acceptable, marginal, or unacceptable for the overall technical factor and for each technical subfactor. *Id.* at 100.

<sup>4</sup> With regard to evaluation of past performance, the solicitation provided that the agency would assign confidence ratings of substantial confidence, satisfactory confidence, limited confidence, no confidence, or neutral/unknown confidence, based on the agency's consideration of the relevance, recency, and quality of prior services performed. *Id.* at 105-107.

<sup>5</sup> The solicitation provided that total cost would be based on "the sum of all priced CLINs [contract line item numbers], to include all options" and that the agency would evaluate proposed cost for reasonableness, realism, and completeness. *Id.* at 108.

With regard to evaluation under the technical factor, the solicitation provided that the agency would assess “the extent to which [a proposal] demonstrates thorough understanding, capability, and a feasible, low risk, cost effective and timely approach to successfully perform all requirements of the task order.” TORP at 102. Under each of the technical subfactors, the solicitation identified various items the agency would consider in its technical evaluation. For example, with regard to subfactor 1, technical capability/understanding, the solicitation provided for consideration of, among other things, the offeror’s demonstration of its experience/expertise, its approach to innovation and continuous process improvement, and a description of its proposed facility.<sup>6</sup> *Id.* With regard to subfactor 2, management plan, the solicitation provided for consideration of, among other things, the offeror’s organizational structure; transition plan;<sup>7</sup> risk management plan, to include “risks of international travel”; and subcontractor management approach. *Id.* at 103. With regard to subfactor 4, staffing approach,<sup>8</sup> the solicitation provided for consideration of, among other things, the offeror’s approach to recruitment/retention of its staff to “ensure a quality workforce is maintained”; ongoing training; and the level of current employees proposed.<sup>9</sup> *Id.* at 104-105.

On or before the October 2, 2020 closing date, proposals were submitted by BAH and Noblis. Thereafter, discussions were conducted with both offerors and final proposal revisions were submitted on February 23, 2021. The final proposals were evaluated by a technical evaluation team (TET), a past performance team, and a cost evaluation team, with the following results:

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<sup>6</sup> The solicitation required offerors to propose a facility that was “within close proximity to DTRA HQ,” and, among other things, would provide the capability to “conduct . . . classified meetings and conferences . . . up to the Secret level for up to 15 person[s].” TORP at 102; PWS at 19. The solicitation did not require the proposed facility be available at the time of award but, rather, required that an offeror describe its proposed facility “in sufficient detail . . . to demonstrate it meets or exceeds the [PWS] requirements” and provide an “explanation of how it will provide the full level of support/services to DTRA . . . [before] the facility becomes operational.” TORP at 102.

<sup>7</sup> The solicitation required that each offeror propose a transition plan “not to exceed 90 days,” and provided that “[a]ll other things being equal, a shorter [proposed] transition period will be evaluated higher than a longer period.” *Id.* at 103.

<sup>8</sup> The evaluation of proposals under subfactor 3, small business subcontracting, is not at issue in this protest.

<sup>9</sup> In this regard, the solicitation provided that “[a]ll other things being equal, proposals will be evaluated as offering more value based on the extent to which they demonstrate the ability to fill positions with current employees [defined as individuals who currently work for a given offeror and/or proposed subcontractor] as compared to named contingent hires [or unnamed new hires].” TORP at 77-78, 90, 104.

	<b>Noblis</b>	<b>Booz Allen</b>
<b>Technical (Overall)</b>	Outstanding	Outstanding
-- <b>Tech. Capability/Understanding</b>	Outstanding	Outstanding
-- <b>Management Plan</b>	Outstanding	Outstanding
-- <b>Small Business</b>	Good	Good
-- <b>Staffing Approach</b>	Outstanding	Good
<b>Past Performance</b>	Substantial Confidence	Substantial Confidence
<b>Evaluated Cost</b>	\$263,263,830	\$266,525,429

MOL/COS at 10; AR, Tab 12, BAH Debriefing at 7.

In evaluating both proposals under the most important factor, technical, the TET identified strengths and significant strengths in each proposal.<sup>10</sup> As summarized above, the TET assigned the highest possible rating, outstanding, to both proposals under technical subfactors 1 (technical capability/understanding) and 2 (management plan); under subfactor 4 (staffing approach), the TET assigned Noblis's proposal a rating of outstanding, while BAH's proposal was rated good.<sup>11</sup>

In evaluating Noblis's proposed staffing approach under subfactor 4, the TET characterized the approach as "excellent," and identified a significant strength with regard to its approach to recruitment and retention of staff, noting that the proposal reflected "[better than average retention rates [that] apply to the entire offeror's team," which "provide[d] DTRA confidence that [Noblis] will be able to maintain [its] staff." AR, Tab 14\_02, Down Select Evaluation Report at 15. The TET added that Noblis's proposed staffing approach would "directly benefit [the agency] with strong continuity of support and a stable knowledge base." The TET also identified other specific aspects of Noblis's proposed staffing approach, including a "robust training approach," that it viewed as beneficial and as "provid[ing] a high level of services over the life of the task order." See AR, Tab 14\_04, Source Selection Decision Document (SSDD) at 4.

<sup>10</sup> The solicitation defined a strength as "an aspect of the offeror's proposal that has merit or exceeds specified performance or capability requirements in a way that will be advantageous to the Government" and defined a significant strength as "an aspect of the offeror's proposal that appreciably enhances the merit of the proposal or appreciably increases the probability of successful task order performance." TORP 102. Although the solicitation also provided for identification of weaknesses, significant weaknesses and/or deficiencies, the agency did not identify any of these in either offeror's proposal.

<sup>11</sup> The solicitation defined a rating of outstanding as reflecting a proposal that provides "an exceptional approach and understanding of the requirements," and defined a rating of good as reflecting a proposal that provides "a thorough approach and understanding of the requirements." Id. at 100.

In assigning a rating of good to BAH's proposal with regard to its staffing approach, the TET identified various strengths, noting for example that BAH proposed current employees for [redacted] of its proposed staff. However, the TET also noted that, as the prime contractor, BAH proposed that it would perform a majority of the task order requirements during the base period, but would subsequently shift performance of [redacted] the requirements to its subcontractors.<sup>12</sup> The TET noted that BAH's proposal provided little detail regarding the recruitment and retention policies of its proposed subcontractors.<sup>13</sup> *Id.* Overall, the TET characterized BAH's approach as "thorough," but "not . . . exceptional." AR, Tab 9, Redacted Down Select Evaluation Report at 23-25; Tab 14\_04, SSDD at 5.

Following completion of their evaluations, the evaluation teams briefed the selection decision authority (SDA) and provided him with their consolidated evaluation report. The evaluation teams' report did not include comparative assessments, best-value tradeoffs, or recommendations for award. See AR, Tab 8, SDA Briefing; Tab 9, Redacted Down Select Evaluation Report.

Thereafter, the SDA performed an independent review of the evaluation record and made assessments regarding the differing benefits offered by the competing proposals. In performing this analysis, the SDA concurred with all of the adjectival ratings the TET assigned to both proposals and concluded that the overall value of Noblis's proposed benefits was greater than the value of BAH's proposed benefits. Specifically, the SDA concluded that Noblis's proposal offered greater value under the most important factor, technical, based on its proposal for a "large number of capabilities for Continuous Process Improvement"; a "variety of practices for strong travel risk management"; and a demonstrated ability to "retain staff at very high rates," thereby providing "stability and continuity to the workforce" throughout the task order performance period.<sup>14</sup> AR, Tab 14\_04, SSDD at 9-10.

In contrast, the SDA concluded that some of the strengths/significant strengths the TET identified in BAH's proposal were "rooted in their incumbency," and that the relative value of their benefits would diminish over the period of task order performance, thus

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<sup>12</sup> Specifically, BAH's proposal stated that "our staffing approach across the five years of [task order performance] shifts [redacted] from [redacted] to [redacted]," adding that BAH will "[redacted] to shift positions to [redacted]." See AR, Tab 5c\_06, BAH Proposal at 51.

<sup>13</sup> The agency notes that, in contrast, Noblis's proposal discussed a need to minimize turnover and maximize retention, highlighted a high retention rate that applied to its entire team including subcontractors, and detailed the retention rate for each team member. See AR, Tab 14\_01, Noblis Proposal at 51-54.

<sup>14</sup> BAH's protest does not identify any basis for challenging either of the first two distinguishing features.

rendering them less valuable to the agency.<sup>15</sup> *Id.* The SDA also determined that the two proposals were “approximately equal” with regard to past performance and “essentially equal” with regard to cost, stating that neither of these was a distinguishing factor in his source selection decision. *Id.* Overall, the SDA concluded:

In summary, when all factors are considered with their respective weightings, and in keeping with the relative order of importance of the non-price factors, Noblis’s thorough approach and understanding of requirements for Factor 1 – Technical – makes Noblis’s the most highly rated proposal and clearly the best overall value.

*Id.* at 10.

On May 12, 2021, BAH was notified of the source selection decision; this protest followed.<sup>16</sup>

## DISCUSSION

BAH protests that, due to its status as the incumbent contractor and the terms of the solicitation, the agency was required to evaluate BAH’s proposal as superior to Noblis’s proposal. More specifically, BAH challenges various aspects of the agency’s evaluation and source selection decision under the technical and past performance factors, and maintains that the agency was required to escalate Noblis’ proposed costs for the transition period in determining Noblis’s evaluated cost. As discussed below, we deny the protest in part and dismiss it in part.<sup>17</sup>

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<sup>15</sup> Specifically, in performing his comparative analysis and value assessment, the SDA concluded that two aspects of BAH’s proposal the TET characterized as significant strengths were not sufficiently beneficial to the agency to warrant that designation, characterizing them instead as strengths. AR, Tab 14\_04, SSDD at 1-2. Additionally, the SDA identified one aspect of BAH’s proposal the TET had characterized as a strength that the SDA concluded met, but did not exceed, the solicitation’s requirements, and therefore did not constitute a strength. *Id.* at 2.

<sup>16</sup> Because the value of the task order is in excess of \$10 million, this protest is within our jurisdiction to consider protests challenging task orders placed under civilian agency indefinite-delivery, indefinite-quantity contracts. See 41 U.S.C. § 4106(f)(1)(B); *Alliant Sols., LLC*, B-415994, B-415994.2, May 14, 2018, 2018 CPD ¶ 173 at 4 n.8.

<sup>17</sup> In its multiple protest submissions, BAH challenged various aspects of the agency’s evaluation under each and every evaluation factor/subfactor, complained that the agency failed to conduct meaningful discussions, and asserted that the agency failed to consider an alleged organizational conflict of interest. BAH subsequently withdrew several of these allegations. See BAH Comments on AR, July 2, 2021, at 1 n.1; BAH Supp. Protest/Comments on 1<sup>st</sup> Supp. AR, July 23, 2021, at 1 n.2. While our decision does not specifically address each and every BAH argument and/or variation of an argument, we have considered them all and find no basis to sustain the protest.

## Technical Evaluation

BAH first protests the agency's evaluation and source selection decision with regard to the most important factor, technical. As discussed above, the solicitation established four technical subfactors, and identified various items the agency would consider under each subfactor. BAH asserts that the TET's evaluation and/or the SDA's source selection decision failed to comply with the terms of the solicitation and/or were unreasonable. We discuss some examples of BAH's multiple assertions below.

First, with regard to the agency's evaluation under subfactor 4, staffing approach, BAH challenges the agency's determination that Noblis's proposal warranted a rating of outstanding, while BAH's warranted a rating of good. In challenging this aspect of the agency's source selection process, BAH refers to one of the various items for consideration that the solicitation identified under this subfactor, which stated:

All other things being equal, proposals will be evaluated as offering more value based on the extent to which they demonstrate the ability to fill positions with current employees as compared to named contingent hires [or unnamed new hires].

TORP at 104.

BAH notes that it proposed to fill a significantly greater portion of its staffing positions with current employees than Noblis proposed; asserts that the agency failed to give sufficient credit to BAH for this aspect of its proposal; and maintains that it should have received a rating of outstanding with regard to staffing approach and/or been evaluated as superior to Noblis under this subfactor. Protest at 36-39.

The agency responds by first pointing out that the solicitation provision quoted above was only one of several items the solicitation identified for consideration in the agency's evaluation and, further, that the solicitation did not provide that an offeror proposing a large percentage of current employees was either entitled to the highest adjectival rating, or would necessarily receive a higher overall subfactor rating than an offeror proposing a smaller percentage of current employees; rather, the provision was prefaced with the caveat "all other things being equal." The agency further responds that both the TET and the SDA did, in fact, give credit to BAH for having proposed a larger percentage of current employees than Noblis, noting that the SDA specifically stated that this "contribute[d] to my concurrence with [the TET] rating [BAH] as Good under [this subfactor]." AR, Tab 14\_04, SSDD at 5.

The agency further explains that Noblis's proposed staffing approach provided significantly greater confidence to the agency regarding the retention of a stable workforce. More specifically, the agency notes that Noblis's proposal provided more detail regarding the recruitment/retention approach of its subcontractors. Accordingly, the agency had greater confidence in, and placed greater value on, Noblis's potential for retaining a stable workforce, given BAH's stated intent to transfer the responsibility for

workforce retention and stability to its subcontractors during task order performance and its failure to meaningfully discuss the recruitment/retention policies of those subcontractors. 2<sup>nd</sup> Supp. MOL, July 30, 2021, at 11-15. Finally, the agency maintains that both the TET and SDA properly considered the two offerors' dissimilar staffing approaches in evaluating proposals and selecting Noblis for award. On this issue, the agency concluded that the benefit provided by BAH's plan to begin task order performance with a large percentage of current employees did not outweigh the various other strengths in Noblis's proposal, including the potential for workforce retention and stability.

Procuring agencies have considerable discretion in making subjective judgments about the technical merit and value of competing proposals. See, e.g., *JAM Corp.*, B-408775, Dec. 4, 2013, 2013 CPD ¶ 282 at 4. A protester's disagreement with the agency's judgments regarding the merits and/or benefits of competing proposals, without more, does not provide a basis to sustain the protest. *Protection Strategies, Inc.*, B-416635, Nov. 1, 2018, 2019 CPD ¶ 33 at 8; *Construction Servs. Grp., Inc.*, B-412343.3, Feb. 27, 2017, 2017 CPD ¶ 76 at 4-5. Further, when a protester alleges disparate treatment in a technical evaluation, it must show that the differences in the evaluation do not stem from differences between the offerors' proposals. See, e.g., *Battelle Memorial Inst.*, B-418047.3, B-418047.4, May 18, 2020, 2020 CPD ¶ 176 at 5-6; *INDUS Tech., Inc.*, B-411702 *et al.*, Sept. 29, 2015, 2015 CPD ¶ 304 at 6.

Here, we reject BAH's assertion that the agency failed to reasonably consider and apply the solicitation's stated evaluation criteria in its evaluation of the offerors' dissimilar approaches to staffing. In this regard, it is clear that both the TET report and the SSDD gave BAH's proposal positive credit for proposing to begin contract performance with a large percentage of current employees. Nonetheless, it is also clear that the percentage of current employees proposed was not the only matter for consideration in evaluating the staffing approaches of the competing offerors. As discussed above, BAH proposed to "leverage natural attrition" in order to shift a significant portion of its workforce to its subcontractors. Further, our review of the record finds nothing unreasonable in the agency's determination that BAH's proposal provided little information regarding the recruiting and retention policies of its subcontractors. On this record, we find no merit in BAH's assertion that the agency failed to properly consider each offeror's proposed staffing approach.

BAH also complains that the agency failed to properly consider various other aspects of BAH's technical proposal, again asserting that the agency's assessments were unreasonable and/or inconsistent with the terms of the solicitation. For example, BAH challenges the SDA's value assessment regarding its proposed [redacted] transition period;<sup>18</sup> notes that the solicitation stated "[a]ll other things being equal, a shorter transition period will be evaluated higher than a longer period," see TORP at 103; and maintains that "the Solicitation did not allow the SDA to find that the value of a short

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<sup>18</sup> As noted above, the solicitation provided that each offeror was to propose a transition period not to exceed 90 days; Noblis proposed a [redacted] transition period.



transition was not particularly beneficial.” BAH Supp. Protest/Comments on 1<sup>st</sup> Supp. AR, July 23, 2021, at 10.

The agency responds that, in making his best value assessments and tradeoff determination, the SDA expressly credited BAH with proposing a shorter transition period, characterizing BAH’s proposal as offering “a superior, near-zero-risk” transition plan. AR, Tab 14\_04, SSDD at 3. Nonetheless, the SDA also considered the relative value to the agency of BAH’s “superior” plan and concluded that it would provide a “short-term benefit,” rather than providing extended value throughout the life of the task order. *Id.* Accordingly, the agency maintains that its evaluation and best-value determination regarding BAH’s proposed transition period were reasonable and consistent with the terms of the solicitation.

By way of another example, BAH complains that the agency failed to reasonably evaluate BAH’s proposal of its existing facility, noting that the facility exceeds the solicitation requirements, and asserting that the agency failed to reasonably recognize the degree of value provided by BAH’s facility. Protest at 28; BAH Supp. Protest/Comments on Supp. AR, July 23, 2021, at 15-16.

The agency responds that both the TET and the SDA recognized this aspect of BAH’s proposal as exceeding the solicitation requirements in a beneficial way. See AR, Tab 14\_04, SSDD at 1-2. Nonetheless, in performing his independent assessment regarding the value of that benefit, the SDA concluded that some aspects of BAH’s proposed facility that exceeded the solicitation requirements were “unlikely to improve [the agency’s] ability to execute its mission,” thereby limiting the beneficial value to the agency.<sup>19</sup> *Id.* The agency further notes, as discussed above, that the solicitation did not require a proposed facility to be available for immediate use, but rather, required that an offeror provide a “realistic and acceptable timeframe” for the proposed facility to be fully operational. TORP at 102. Accordingly, the agency maintains that its evaluation and best-value tradeoff determination were reasonable and consistent with the terms of the solicitation.

Finally, BAH also complains that the agency failed to properly evaluate the level of experience and expertise it offered due to its incumbency. In this regard, BAH notes that the solicitation required offerors to demonstrate “a thorough understanding and ability to perform all scope areas of the PWS” and to provide “examples of its experience, knowledge, qualifications, methods, procedures, resources, [and] tools . . . that indicate the ability to deliver a high level of support services.” See TORP at 102. In this context, BAH asserts that its “extensive CTR-specific experience should have been viewed as appreciably increasing the likelihood of success,” and complains that the

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<sup>19</sup> The agency notes that the solicitation required the proposed facility to accommodate classified meetings, up to the secret level, for up to 15 persons, but did not require accommodation of top secret meetings or provision of a sensitive compartmented information facility. MOL/COS, June 23, 2021, at 36; 1<sup>st</sup> Supp. MOL, July 12, 2021, at 9.

SDA failed to properly recognize this aspect of BAH's proposal. BAH Comments on AR, July 2, 2021, at 2; BAH Supp. Protest/Comments on Supp. AR., July 23, 2021, at 11-15.

The agency responds that the SDA did, in fact, recognize BAH's incumbent experience to be a strength, stating that BAH's "years of experience providing A&AS [advisory and assistance services] support to CTR . . . will provide immediate benefit to [the agency]." SSDD at 1. Nonetheless, in performing his best-value tradeoff and value assessment, the SDA also concluded that the relative value of this benefit would diminish over time. *Id.* On this record, the agency maintains that the SDA's best-value determination reflected proper consideration of BAH's proposal to provide experience and expertise but that, based on the SDA's experience and judgment, it was reasonable for him to conclude that the relative value of BAH's incumbent experience and expertise is not as great as BAH believes it to be.

As noted above, the evaluation of task order proposals, including the determination of their relative merits, is primarily a matter within a procuring agency's discretion, since the agency is responsible for defining its needs and the best method of accommodating those needs. *See, e.g., Booz Allen Hamilton Inc.*, B-414283, B-414283.2, Apr. 27, 2017, 2017 CPD ¶ 159 at 6. An offeror's disagreement with the agency regarding the value of a given feature is insufficient to establish that an agency's assessment or best-value tradeoff was unreasonable. *Karrar Sys. Corp.*, B-310661.3, B-310661.4, Mar. 3, 2008, 2008 CPD ¶ 55 at 4-5. Finally, source selection officials are both authorized and required to use their independent judgment, *see* FAR 15.308, and are not bound by the assessments of lower-level evaluators; rather, their final judgments are subject only to the tests of rationality and consistency with the evaluation criteria. *See, e.g., Mission1st Grp., Inc.*, B-419369.2, Jan. 25, 2021, 2021 CPD ¶ 65 at 13; *Science Applications Int'l Corp.*, B-290971 *et al.*, Oct. 16, 2002, 2002 CPD ¶ 184 at 19-20.

Here, we find no basis to question the agency's evaluation or best-value determination under the most important evaluation factor, technical. Specifically, as discussed above, the agency clearly credited BAH with proposing the shorter transition period, characterizing BAH's proposal as offering "a superior, near-zero-risk" transition plan; nonetheless, it also reasonably concluded that the relative value of that plan was limited. Similarly, the agency properly recognized the value associated with BAH's proposal of its existing facility, which exceeded the solicitation requirements; nonetheless, the agency reasonably concluded that the benefits to the agency of BAH's proposed facility were not as great as BAH perceives them to be. Finally, the agency properly recognized that BAH's experience and expertise flowing from its performance as the incumbent contractor provided an immediate benefit to the agency, but also reasonably recognized that the relative value of that benefit would diminish over time. On this record, we reject all of BAH's complaints regarding the agency's evaluation under the technical factor, and its protest challenging the agency's evaluation in that regard is denied.

## Past Performance

Next, BAH challenges the agency's evaluation under the past performance factor. Specifically, BAH asserts that it was unreasonable for the agency to assign the highest rating, substantial confidence, to both offerors and to conclude they were essentially equal under this factor. In challenging the agency's past performance evaluation, BAH asserts that the agency was required to evaluate BAH's prior performance as the incumbent contractor to be of greater relevance than the prior performance of any non-incumbent offeror and, accordingly, was required to evaluate BAH's past performance as superior to that of Noblis. BAH Supp. Protest/Comments on 1<sup>st</sup> Supp. AR, July 23, 2021, at 17-21. In this context, BAH asserts that Noblis's past performance "could not have been as relevant as [BAH's]," and maintains that the agency "could not have reasonably equated the two offerors under this [f]actor." Protest at 45.

An agency's evaluation of past performance, including its consideration of the relevance, scope, and significance of an offeror's performance history, is by its very nature, subjective; accordingly, such assessments are matters of agency discretion that we will not disturb absent evidence they are unreasonable or inconsistent with the solicitation criteria. *Pricewaterhouse Coopers Public Sector, LLP*, B-415504, B-415504.2, Jan. 18, 2018, 2018 CPD ¶ 35 at 10-11. Further, our Bid Protest Regulations provide that a protest must include a sufficiently detailed statement supporting its allegations, and a protester's mere speculation or conjecture regarding a competing offeror's proposal fails to establish an adequate basis for protest. 4 C.F.R. §§ 21.1(c)(4), 21.1(f), and 21.5(f); see *CAMRIS Int'l, Inc.*, B-416561, Aug. 14, 2018, 2018 CPD ¶ 285 at 3; *Science Applications Int'l Corp.*, B-265607, Sept. 1, 1995, 95-2 CPD ¶ 99 at 2.

Here, BAH's protest challenging the agency's past performance evaluation is rooted in the assumption that the agency was precluded from evaluating a non-incumbent's past performance as superior to BAH's incumbent performance. In this regard, BAH speculates about the substance of Noblis's past performance, but provides no meaningful support for its speculation. Further, as noted above, BAH received the highest possible past performance rating. On the record here, we conclude that BAH's protest challenging the agency's past performance evaluation fails to meet the threshold requirements for challenging an agency's evaluation; accordingly, this portion of BAH's protest is dismissed.

## Cost

Finally, BAH challenges the agency's evaluation of Noblis's cost proposal with regard to its proposed transition period.<sup>20</sup> Following issuance of the task order to Noblis, the

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<sup>20</sup> As noted above, the solicitation required offerors to propose a transition period of not more than 90 days. Noblis proposed a [redacted] transition period, during which it

agency executed an extension of BAH's prior task order, pursuant to the transition-out provisions of that order, to maintain continuity of services during Noblis's transition-in period. See AR, Tab 12\_04, Extension of Prior Task order. BAH asserts that the agency was obligated to increase Noblis's proposed costs for the transition period to include the costs of BAH's performance, under the predecessor task order, during Noblis's transition period. Protest at 22.

The agency responds by noting that the terms of the solicitation did not provide for adding any costs incurred by an incumbent contractor under the predecessor contract to a non-incumbent's proposed costs. Rather, as noted above, the solicitation provided that an offeror's total proposed costs would reflect "the sum of all priced CLINs, to include all options." See TORP at 108. The agency further notes that, to the extent the solicitation provided for cost realism adjustments to an offeror's proposed costs, such adjustments were to be based on "the work to be performed." *Id.* at 109. Accordingly, the agency's cost evaluation team assessed the realism of the offerors' proposed costs for the level of effort it proposed to perform under each CLIN.<sup>21</sup>

Nonetheless, the agency further notes that, in making his best-value determination, the SDA observed that the offerors' evaluated costs were very close, with Noblis's costs (\$263,263,830) approximately 1% lower than BAH's costs (\$266,525,429); accordingly, the SDA considered the "drivers and reasons" for each offeror's costs. AR, Tab 14\_04, SSDD at 7. In this context, the SDA noted the lower level of effort and associated costs flowing from Noblis's [redacted] transition period and, based on Noblis's proposed costs for the remainder of the task order, calculated what Noblis's proposed costs would have been if it had proposed full performance during the transition period. The SDA concluded that, if these additional costs were imputed to Noblis's proposed costs, Noblis's evaluated costs would be approximately 1% higher than BAH's evaluated costs. On this record, the SDA determined that, using either calculation, "the costs associated with both offerors are too close to allow me to consider the Cost factor to be a meaningful discriminator," and elaborated that: "[e]ven if costs associated with an award to [BAH] proved to be lower, I have determined that the superior features of Noblis's proposal . . . merit paying [the] Cost premium." *Id.* at 7-8. On this record, the agency maintains that BAH's challenge to the agency's evaluation of Noblis's proposed costs for the transition period provides no basis to sustain the protest.

A procuring agency is required to evaluate competing proposals in a manner that is consistent with the terms of the solicitation. See, e.g., *Science Applications Int'l Corp.*,

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proposed to "ramp up" up performance "from 0-100%." AR, Tab 14\_04, SSDD at 7. Consistent with that aspect of its proposal, Noblis's proposed costs for the first two months following contract award were lower than its proposed costs for comparable periods during the remainder of the task order performance period, during which it proposed full performance.

<sup>21</sup> The cost evaluation team did not make any cost realism adjustments to either offeror's proposed costs.

*supra* at 3. Where a solicitation provides for award of a cost-reimbursement contract, the agency must perform cost-realism assessments; however, those assessments need not achieve scientific certainty. Rather, the methodology employed must be reasonably adequate to provide some confidence that the proposed costs are realistic; further, the evaluation may incorporate the exercise of informed judgment by the contracting agency. See, e.g., *Booz Allen Hamilton Inc.*, *supra* at 9; *AdvanceMed Corp; TrustSolutions, LLC*, B-404910.4 *et al.*, Jan. 17, 2012, 2012 CPD ¶ 25 at 15.

Here, as discussed above, the solicitation permitted offerors to propose differing transition periods; directed them to propose costs that were consistent with that aspect of their proposals; provided that total proposed costs would reflect the costs proposed for all CLINS; and provided that any cost-realism adjustments would be based on the proposed “work to be performed.”<sup>22</sup> We further note that nothing in the solicitation provided for escalating an offeror’s proposed costs based on costs incurred pursuant to the incumbent’s performance under the predecessor contract. On this record, we reject BAH’s assertion that the agency was required to escalate Noblis’s proposed costs to reflect the costs of BAH’s extended contract performance under the predecessor task order. Further, even assuming the agency was obligated to adjust Noblis’s proposed transition period costs by imputing costs consistent with full performance during that period, we find nothing unreasonable in the SDA’s methodology for considering that matter, nor in his conclusion that cost was not a distinguishing factor for purposes of the source selection decision. On this record, we deny BAH’s protest challenging the agency’s cost evaluation.

The protest is denied in part and dismissed in part.

Edda Emmanuelli Perez  
General Counsel

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<sup>22</sup> BAH complains that, in light of the potential for differing levels of proposed performance and associated costs during the transition period, the agency “should have amended the solicitation to provide a common baseline for the competition.” Protest at 23. There is no evidence that BAH raised this issue, nor did it protest the matter, prior to submitting its proposal.