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## Decision

**Matter of:** STG, Inc.

**File:** B-405101.3; B-405101.4; B-405101.5

**Date:** January 12, 2012

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Lt. Col. Steven P. Cullen, and Capt. Edward Ahn, for the agency.

Paul N. Wengert, Esq., and Sharon L. Larkin, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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### DIGEST

In a task order procurement of information technology support services, protest that agency misevaluated both protester's and successful offeror's proposals is denied where agency provided reasonably clear information in discussions, and evaluated proposals reasonably and consistently with terms of solicitation.

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### DECISION

STG, Inc., of Reston, Virginia, protests the issuance of a task order to General Dynamics Information Technology, Incorporated (GDIT) by the Department of the Army under request for task order proposals (RFTOP) No. WT4G3U01630001 for command, control, communications, and computer information (C4I) operations and maintenance services in support of the United States Forces Korea mission. STG argues that the Army misevaluated both its and GDIT's final revised proposals, held misleading discussions with STG, failed to conduct a reasonable cost/price realism analysis, and made an unreasonable source selection decision.

We deny the protest.

### BACKGROUND

On December 1, 2010, the Army issued the RFTOP to all 16 firms that hold multiple-award Information Technology Enterprise Solutions 2-Services (ITES-2S) indefinite-delivery/indefinite-quantity (IDIQ) contracts. Contracting Officer's Statement at 2.

The RFTOP anticipated the issuance of a mixed fixed price and cost-reimbursement task order for a base year and four option years, under the successful offeror's ITES-2S contract. RFTOP attach. 4, Line Item Pricing, at 1-67. The RFTOP explained that the Army's requirement was for an offeror who could work in partnership with the government toward goals and objectives, RFTOP attach. 3, Special Contract Requirements, at 1, and described the task order mission as follows:

Establish, provide, and implement/maintain . . . C4I capability to support combined US and ROK [Republic of Korea] operations in Korea and authorized off-pen[insula] sites. Deter North Korean aggression. Conduct operations as necessary during armistice, contingencies, and war. Provide the Commander of Combined Forces Command (CFC) / United States Forces Korea (USFK) / Korea Command (KORCOM), principal subordinate commanders, their staffs, and selected organizations with C4I services that enable them, through establishment of efficient, effective, and collaborative C2 [command and control] capabilities, to effectively command and control combat-ready troops on the Korean peninsula via net-centric high-speed connectivity among sites supporting ROK, US, and/or Coalition forces, including those of UNC [United Nations Command] sending states.

RFTOP attach. 1, Performance Work Statement (PWS) (amend. 4), at 1.

Consistent with the need to directly support military operations in Korea, among the requirements of the PWS was that the offeror be prepared to provide around-the-clock services, including a plan to provide support within one hour of notification, in the event of various "contingencies" such as planned exercises, alerts, recalls, emergency response drills, and national emergencies. PWS at 6. The RFTOP divided the required services into 15 areas, consisting of 11 categories of information technology services (PWS ¶¶ 4.1 through 4.11), training services (PWS ¶ 5.0), management services (PWS ¶ 6.0), property management (PWS ¶ 6.6), and security management (PWS ¶ 6.7). PWS at 7-39; see also RFTOP attach. 15, CLIN-PWS Cross Reference Table (amend. 3), at 1.

The RFTOP invited interested ITES-2S offerors to submit a proposal, explaining the offeror's approach and pricing for evaluation under five factors: mission operations and support, technical capability, management capability, past performance, and price/cost. The RFTOP provided that a task order would be issued to the offeror whose proposal provided the best value to the Army. In determining which proposal provided the best value, the RFTOP specified that, of the four non-price factors, the mission operations and support factor was the most important, followed by the next two factors (technical capability and management capability), followed by the least important factor, past performance. The four non-price factors, when combined,

were approximately equal in importance to the price/cost factor. RFTOP attach. 2, Proposal Instructions (amend. 2), at 6.

Under the mission operations and support factor, the RFTOP identified five topics for evaluation: the offeror's experience related to the Army's requirement, the offeror's knowledge of problems likely to arise under the PWS along with the offeror's recommended solutions, the offeror's description of how its services would meet the requirements, the offeror's approach to implementing an initial phase-in transition plan,<sup>1</sup> and the offeror's approach for planning and implementing network scalability. Id. With respect to the technical capability factor, the RFTOP provided for evaluation of the offeror's technical approach to performing the requirements of the PWS, the firm's plan to provide qualified personnel to perform PWS tasks, and the qualifications of the staff selected for three key positions. Id.

The RFTOP provided that the evaluation would include the assignment of adjectival ratings to the offeror's approach under each factor. For both the mission operations and support factor and the technical capability factor, the ratings were to be excellent, good, acceptable, marginal, susceptible to being made acceptable, or unacceptable. Id. at 8-9. The RFTOP defined the rating of "excellent" as applicable to a proposal that had "exceptional merit," would "clearly result in the superior attainment" of all requirements and objectives, and its approach was "exceptionally clear and precise [and] fully supported." In comparison, the rating of "good" applied to a proposal "demonstrat[ing] a sound approach" that was "expected to meet all requirements and objectives," and was "clear and precise . . . [and] supported." Id.

With respect to the price factor, the RFTOP provided for offerors to propose annual prices under a combination of 17 fixed price and 9 cost reimbursement contract lines (CLIN). Each offeror was to submit annual lump sum fixed prices for the 15 CLINs that corresponded to the 15 main task areas in the PWS, and those prices were to be derived from the offeror's ITES-2S contract labor categories, rates (including any discounts), and a level of effort determined by the offeror's technical approach. RFTOP attach. 4, Line Item Pricing, at 1-8; RFTOP attach. 11, Other Than Cost and Pricing Data Information Sheet, at 1. The two remaining fixed-price CLINs were for 15 percent network growth, and for 30 percent network growth. The RFTOP explained that these network growth CLINs would be "activated" when the number of permanent users on the network exceeded a baseline number of users by the corresponding percentage (that is, by 15 or 30 percent respectively), and the CLIN would later be "deactivated" when the number of users dropped. The RFTOP also explained that the 15 percent network growth and the 30 percent network growth CLINs were exclusive--they could not both be activated contemporaneously. PWS at 8; RFTOP attach. 11, Other Than Cost and Pricing Data Information Sheet, at 6.

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<sup>1</sup> The PWS provided that a full phase-in plan would be submitted within 10 days after award. PWS at 5.

The nine cost-reimbursement CLINs related to other costs of performance: surge support, overtime support, vehicle management, a “solution development bill of materials,” enterprise management, travel, training, housing, and school support. RFTOP attach. 4, Line Item Pricing, at 9-12.

The RFTOP provided that the price/cost factor would be evaluated for reasonableness and realism, and stated that the offeror’s evaluated price would be determined as follows:

. . . calculated by adding the [offeror’s] total price for all firm fixed priced line items plus the cost reimbursable line items of surge support and overtime to arrive at a total evaluated price for the base and all option periods.

RFTOP attach. 2, Proposal Instructions (amend. 2), at 7.

The Army received initial proposals from three offerors, evaluated them, and established a competitive range of STG and GDIT; the third firm’s proposal was eliminated based on the initial evaluation. Contracting Officer’s Statement at 10. After holding discussions and receiving revised proposals, the evaluations were as follows:

<b>Factor</b>	<b>STG</b>	<b>GDIT</b>
Mission Ops & Support	Marginal	Excellent
Technical Capability	Acceptable	Excellent
Management Approach	Good	Good
Past Performance	Good	Good
<b>Overall</b>	Acceptable	Excellent
<b>Evaluated Cost/Price</b>	\$49.4 million	\$60.4 million

Protest at 6.

On May 3, 2011, the Army selected GDIT’s revised proposal as the best value, and on May 12, STG protested that award to our Office. On June 9, the Army announced that it was taking corrective action by terminating the task order issued to GDIT, reevaluating the revised proposals, and making a new source selection decision. Accordingly our Office dismissed those protests as academic. See STG, Inc., B-40511.1, B-405101.2, June 10, 2011.

During the course of corrective action, the Army held discussions and requested the final revised proposals that are at issue in this protest. The evaluation of the final revised proposals was as follows:

<b>Factor</b>	<b>STG</b>	<b>GDIT</b>
Mission Ops & Support	Good	Excellent
Technical Capability	Excellent	Excellent
Management Approach	Good	Good
Past Performance	Good	Good
<b>Overall</b>	Good	Excellent
<b>Evaluated Cost/Price</b>	\$55.2 million	\$56.2 million

Agency Report (AR), Tab 12, Addendum to Source Selection Decision Document, Oct. 12, 2011, at 3, 12, 16.<sup>2</sup>

This evaluation was supported by narrative explanations of the strengths and weaknesses of each offeror's final revised proposal under each evaluation factor. Among the 7 strengths identified by the SSA as most significant for STG under the mission operations and support factor were that STG quoted to provide additional personnel needed to support the command cyber readiness inspection at no cost to the Army; and it had a good transition plan and schedule that was detailed, comprehensive, and included a transition team of experienced staff. Id. at 4-5. Under the technical capability factor, the SSA identified 5 of STG's strengths, including providing longer service hours for network and systems administration functions, and having a well-defined approach to network access control. Id. at 7. However, STG's final revised proposal also had a weakness under the technical capability factor for planning communication between a subcontractor and government personnel that appeared to bypass the authority of the contracting officer. Id. Nevertheless, as noted above, the SSA rated STG's proposal excellent under the technical capability factor, explaining that even though one of STG's lines of communication was inaccurate, the firm's excellent use of qualified personnel to perform PWS requirements merited an excellent rating. Id.

For GDIT, the SSA identified 8 strengths that were most significant to its excellent mission operations and support factor rating, including several related to network scalability, such as the firm's implementation of virtualization and a standardized virtual local area network to provide better security and scalability, plus a transition plan that accounted for rapid changes associated with the mission in Korea. Id. at 5-6. Under the technical capability factor, the SSA identified 4 strengths as important, including its creation of virtual command posts during planned exercises and real world incidents to provide improved access to Microsoft SharePoint for military commanders and staff. Id. at 8.

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<sup>2</sup> The evaluation above reflects the agency's correction of a calculation error that had increased both offerors' prices by similar amounts (under \$120,000 each). See Contracting Officer's Statement at 15-16; AR, Tab 12, Addendum to Source Selection Decision Document, Oct. 12, 2011, at 1.

Ultimately, in explaining a tradeoff rationale, the SSA identified two significant differences in favor of GDIT's final revised proposal under the mission operations and support factor: GDIT's approach to network scalability was more innovative and demonstrated a better understanding of the needs of units arriving in the Korean theater, and GDIT's approach to phase-in transition showed a clear understanding of key Korean-theater-specific challenges resulting from regional tensions. Id. at 17. Then, having reviewed the most significant strengths and weaknesses of both offerors, and having identified two particularly significant differences, the SSA reasoned that GDIT's final revised proposal provided the best value because its advantages outweighed the additional evaluated price of \$1 million. Id. at 18.

On September 30, the Army notified STG that the agency had again selected GDIT for award. AR, Tab 15, Letter from Army to STG, Sept. 30, 2011, at 1. STG filed this protest on October 7, which it then supplemented on October 26, after receiving a debriefing. STG filed a further supplemental protest on November 28, after receiving the agency report and accompanying documents.

## DISCUSSION

STG's protests raise numerous challenges to the evaluation of both its and GDIT's final revised proposals, and to the Army's source selection decision. For purposes of this decision, we have organized the grounds of protest under four general themes.<sup>3</sup> First, STG argues that its final revised proposal was misevaluated, and should have received a rating of excellent, rather than good, under the mission operations and support factor. Second, STG argues that GDIT made changes in its final revised proposal--changes to its staffing and a significant decrease to GDIT's

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<sup>3</sup> This decision addresses only the main arguments raised by STG, although our Office has reviewed all of STG's arguments and find that none have merit. Additionally, we dismiss as untimely STG's argument that the Army's price evaluation was improper because the evaluated price included the prices of both the 15 percent network growth CLIN and the 30 percent network growth CLIN, even though, as noted above, both CLINs could not be "activated" contemporaneously. The protester's argument essentially raises an untimely challenge to an alleged solicitation impropriety, since the RFTOP expressly stated that "[p]rice will be calculated by adding the offeror['s] total price for all firm fixed priced line items," plus specific cost reimbursable CLINs "to arrive at a total evaluated price for the base and all option periods." RFTOP attach. 2, Proposal Submission Instructions and Evaluation Criteria (amend. 2), at 7-8. This situation is unlike the two mutually exclusive options in Kruger Constr., Inc., B-286960, Mar. 15, 2001, 2001 CPD ¶ 43, which STG cites in support of the timeliness of this issue. That is, the activation of one of the network growth CLINs here does not render the other impossible to exercise. Indeed, it is reasonable to expect that both CLINs will be activated (and deactivated), possibly repeatedly, throughout the course of performance.

price--that were not properly analyzed for price realism or reflected in the technical evaluation. Third, STG argues that the Army misevaluated both firms' technical approaches involving software--by misevaluating GDIT's dependence on software that it allegedly had not included in its price, by evaluating the offerors' approaches unequally, and by misleading STG during discussions. Finally, STG argues that the Army's source selection decision fails to show a reasonable basis for the Army to pay GDIT's higher price. As explained below, our review of the contemporaneous record shows that the Army did not mislead STG in discussions, it reasonably evaluated the final revised proposals, and it made a reasonable best value decision.

#### Evaluation of STG Final Revised Proposal under Mission Operations and Support Factor

With respect to the evaluation of STG's final revised proposal under the mission operations and support factor, STG argues that its approaches to both phase-in transition and network scalability were unreasonably criticized, which resulted in an unreasonably low rating of good under the mission operations and support factor. STG also argues that even if those criticisms had been valid, its final revised proposal nevertheless should have been rated excellent under the mission operations and support factor. Supp. Protest at 7-9.

The task order competition here was conducted among ID/IQ contract holders pursuant to Federal Acquisition Regulation (FAR) Part 16. Our Office will review evaluation challenges to these procurements to ensure that the competition was conducted in accordance with the solicitation and applicable procurement laws and regulations. Bay Area Travel, Inc., et al., B-400442 et al., Nov. 5, 2008, 2009 CPD ¶ 65 at 9; Triple Canopy, Inc., B-310566.4, Oct. 30, 2008, 2008 CPD ¶ 207 at 5-7. A protester's mere disagreement with the agency's judgment is not sufficient to establish that an agency acted unreasonably. See QinetiQ N. Am., Inc., B-405008, B-405008.2, July 27, 2011, 2011 CPD ¶ 154 at 13.

With regard to phase-in transition, the PWS required offerors to perform phase-in transition tasks such as preparing to perform the C4I support services, conducting a property serviceability inspection, creating a phase-in joint inventory, identifying all unaccepted property, reporting discrepancies, and instituting a property pass system. PWS at 5. The evaluators noted that STG's final revised proposal had thoroughly addressed all mission operations and support criteria, including providing a solid plan for transition, a detailed schedule, and a well-qualified leadership team. AR, Tab 12e, attach. 5, STG Proposal Strengths, at 2. The evaluators also noted that STG had presented a good discussion of its experience supporting large networks, and had improved its network scalability approach following discussions. Id. The evaluator's findings contributed to an overall rating of good for the mission operations and support factor.

STG argues that its final revised proposal improved the approach to phase-in transition (for example, by adding program management and human resources staff,

supplementing risk mitigation measures, and making additional contingent hires), so that it should have been rated excellent, rather than merely good, under the mission operations and support factor. Supp. Protest at 7-8. Although it is true that STG's final revised proposal reworked aspects of its phase-in transition approach in an effort to improve its mission operations and support factor rating, that fact does not require that it actually receive a higher rating. Our review of the record confirms that although STG provided a complete plan for achieving the phase-in transition, the agency reasonably determined that the firm's solid approach did not exceed the requirements (such as by providing a comprehensive consideration of the disruption of transition efforts resulting from either scheduled military exercises or the arrival of additional forces in case of increased tensions in the area), demonstrate areas of exceptional merit, or demonstrate areas of clearly superior attainment of the Army's objectives for the phase-in transition. We find the agency's conclusion to be reasonable.

Next, with respect to network scalability, the PWS directed offerors to describe a concept for executing scalability in the context of classified networks, and provided for an evaluation of the firm's experience or approach to planning and implementing network scalability. RFTOP attach. 4, Line Item Pricing, at 3, 6. The Army evaluators found that STG's final revised proposal had shown good examples of the firm's experience in managing large classified and unclassified networks, experience in information assurance practices, and had generally improved following discussions. AR, Tab 12e, attach. 5, STG Proposal Strengths, at 2.

STG argues that its concept for executing scalability within a classified network had exceptional merit, principally because the firm had unique experience migrating and scaling a core network to the Joint Command Information Systems Activity, its staff had experience supporting relevant network integration solutions, and the firm had an understanding of current and future scalability initiatives. Supp. Protest at 8. Here, too, STG's final revised proposal did not provide a thorough, specific approach, or an explanation of how the firm's experience showed that it would exceed the current RFTOP requirements for managing a secure network--particularly in the Korean theater. See AR, Tab 13a-1, STG Final Revised Proposal, vol. I, at 67-73. Rather, with only few exceptions,<sup>4</sup> the final revised proposal made general claims, such as STG's statements that it would "determine opportunities for enhancements and scalability," and would follow "industry standards and emerging technologies," or "evaluate new technologies" so that the firm could subsequently recommend scalable solutions. Id. at 65. In short, the explanation of its STG's approach to scalability in its final revised proposal sets forth a competent understanding of scalability challenges, but it does not demonstrate detail,

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<sup>4</sup> For example, STG's narrative describes the firm's approach to maintaining and operating an [DELETED]. AR, Tab 13a-1, STG Final Revised Proposal, vol. I, at 68.



thoroughness, or focus on the RFTOP requirements that would justify a rating of excellent for the mission support and operations factor.

Nevertheless, STG argues that even if the firm's phase-in transition and network scalability supported a rating of good under the mission operations and support factor, those issues represent only two out of five subfactors that the RFTOP provided would be considered under the mission operations and support factor. Accordingly, STG argues that these two ratings should have been averaged with the ratings of the other three subfactors considered, which should have resulted in a rating of excellent for the mission operations and support factor. Supp. Protest at 5-6; Protester's Comments & Supp. Protest at 25, 27-28.

In our view, these arguments lack support in the record. The RFTOP did not identify the five topics under the mission operations and support factor as weighted subfactors, it did not provide for separate adjectival ratings for each topic, and it did not state that the topics had a mathematical relationship to the rating under the mission operations and support factor. Furthermore, the evaluation record does not suggest that the Army treated these topics as subfactors.<sup>5</sup>

In sum, and contrary to STG's arguments, our review of its final revised proposal generally confirms that its approach provided a workable and reliable approach to mission operations and support, but it did not show exceptional merit or superior attainment of the RFTOP objectives.<sup>6</sup> Accordingly, we agree with the assessment of STG's final revised proposal as good under the mission operations and support factor.<sup>7</sup>

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<sup>5</sup> We note that while STG argues that the topics would fit the definition of subfactors in FAR § 15.304(b), it has not shown that these issues were, in fact, subfactors. Protester's Comments & Supp. Protest, at 25 n.9. Any argument that the Army should have identified subfactors under the mission operations and support factor is untimely now, since it relates to the terms of the RFTOP and therefore had to be raised before the submission of proposals.

<sup>6</sup> In contrast to STG's final revised proposal, GDIT's final revised proposal merited a rating of excellent under the mission operations and support factor, through demonstrated excellence in both its approach to phase-in transition and its approach to scalability of a classified network.

<sup>7</sup> To the extent that STG argues that the evaluation of 12 strengths and 3 significant strengths, but no weaknesses, under the mission operations and support factor required the Army to assign STG's proposal a rating of excellent, its argument is baseless. According to the proposal submission instructions and evaluation criteria attachment to the RFTOP, a good rating did not require the Army to identify weaknesses, and neither the presence of significant strengths nor lack of weaknesses required the Army to assign an excellent rating to STG's final revised

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## Price Realism Analysis and Evaluation of Staffing in GDIT Final Revised Proposal

STG argues that the agency failed to perform an adequate price realism analysis. Had a proper realism analysis been performed, STG argues, the agency would have discovered that GDIT's final price reduction (from \$60.4 million in the initial proposal to \$56.2 million in the final revised proposal) rendered its proposed staffing unrealistic. STG asserts that GDIT failed to explain how it would accomplish the corresponding scope of the PWS at the reduced price, and failed to account fully for the savings, which posed a risk of poor performance. STG also argues that the agency's price realism analysis should have identified inconsistencies in GDIT's staffing approach. Protester's Comments and Second Supp. Protest at 3-7; Protester's Supp. Comments at 2-7.

Although an agency is generally not required to conduct a price realism analysis in a fixed-priced context, where, as here, the agency incorporates a price realism requirement into the solicitation, such analysis will assess the offeror's understanding of the requirements and the risk inherent in its proposal. See L-3 Commc'ns, KDI Precision Prods., Inc., B-290091 et al., June 14, 2002, 2002 CPD ¶ 155 at 5-6; see also RFTOP attach. 2, Proposal Instructions (amend. 2), at 7-8. We will review the record here to determine whether Army acted consistently with the RFTOP's evaluation criteria. See Bay Area Travel, Inc., et al., supra, at 9.

Our review of GDIT's proposal shows that the firm reduced staffing in the task areas of management services (including property management and security management) from [DELETED] FTEs to [DELETED] FTEs, thus reducing its total staffing from [DELETED] FTEs to [DELETED] FTEs. E.g. AR, Tab 14, GDIT Final Revised Proposal, vol. III, at 55, 62; id., vol. II, at 146. In the final revised proposal volumes addressing technical capability and management capability, GDIT explained the responsibilities of each management services position, including that most security services tasks had been handed over to its program controller and an administrative assistant, while most property management tasks were assigned to a logistics and supply chain manager and a property manager. AR, Tab 14, GDIT Final Revised Proposal, vol. III, at 55; id., vol. II, at 146.<sup>8</sup> From our review, we find no basis to question the agency's belief that GDIT's revisions provided a staffing

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proposal. Rather, the good and excellent ratings contrasted a solid approach (good) with an approach that showed excellence or that meaningfully exceeded the Army's requirements (excellent). RFTOP attach. 2, Proposal Instructions (amend. 2), at 8-9.

<sup>8</sup> See also AR, Tab 14, GDIT Final Revised Proposal, vol. V, at 13-14 (narrative explanation, in cost volume of proposal, that GDIT had "reduced our management services FTE count from [DELETED] to [DELETED] FTE" by restructuring assigned staff to provide the required services levels).

approach that justified the reduced staffing and addressed the approach to performing all management services requirements.

Nevertheless, STG argues that the record indicates that the Army was misled by erroneous “Staffing Plan by Functional Area” tables into believing that GDIT’s approach was based on [DELETED] FTEs, rather than [DELETED] FTEs. Protester’s Comments and Second Supp. Protest at 3-4; Protester’s Supp. Comments at 1-2. Our review of GDIT’s final revised proposal shows that, although there is an error in one of GDIT’s staffing plan tables, the remainder of GDIT’s final revised proposal accurately depicted and explained the reduced staffing (indeed, on the pages immediately surrounding the tables), including a specific explanation of the redistribution of management services duties assigned among [DELETED] FTEs. AR, Tab 14, GDIT Final Revised Proposal, vol. III, at 55. The contemporaneous record reflects that the SSA fully understood that GDIT’s approach reduced the firm’s management services staff by [DELETED] FTEs, and that he reasonably concluded that this approach was reasonable and realistic.<sup>9</sup> AR, Tab 12, Addendum to Source Selection Decision Document, Oct. 12, 2011, at 14-15; see also AR, Tab 24b, GDIT Final Discussions Questions, at 3; Tab 24d, GDIT Discussions Responses, at 36, 38. Simply put, the record does not support the protester’s contention that the agency was misled.

STG also argues that apart from the staffing reduction discussed above, the record does account for the entire decrease in GDIT’s price; approximately \$1.7 million of the price reduction allegedly remains unaccounted for. Protester’s Comments and Second Supp. Protest at 5. We disagree. The record reflects that the alleged \$1.7 million is accounted for by the Army’s decision to evaluate pricing of the final revised proposals using a base period of 10 months, rather than 12 months that it had used in evaluating the earlier proposals. See Intervenor’s Supp. Comments at 14 (recalculating GDIT’s base period price for 12 months). The source selection

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<sup>9</sup> For example, although GDIT’s revised management services approach provided [DELETED] FTEs assigned specifically to the security services tasks, the SSA noted that GDIT described a realistic approach that would establish security management operating procedures and would distribute responsibility for the security services task area to the management services managers as a key duty. AR, Tab 12, Addendum to Source Selection Decision Document, Oct. 12, 2011, at 14. In comparison, STG’s approach to the management services area proposed [DELETED] FTEs, plus [DELETED] FTE (a [DELETED]) that STG explained would be treated as an unallowable cost--that is, not charged to the Army. AR, Tab 13d, STG Final Revised Proposal, vol. V, at 39. Thus, STG’s approach--which the Army also evaluated as realistic--provided fewer FTEs to perform the management services tasks than GDIT. See AR, Tab 12, Addendum to Combined Price Negotiation Memorandum and Source Selection Decision Document, Oct. 12, 2011, at 14.

decision notes that the reduction of the base period to 10 months was applied consistently in the evaluation of both offerors' final revised proposal prices, and was communicated to both offerors in a written clarification. AR, Tab 12, Addendum to Source Selection Decision Document, Oct. 12, 2011, at 1, 11. Thus, the protester's arguments provide no basis to sustain the protest.

#### Evaluation of Offerors' Approaches to Recommended Software and Discussions with STG

STG next argues that GDIT's proposal relied on the availability of new software that the Army would have to purchase. STG argues that GDIT's final revised proposal did not include the cost of the software and, since the Army had not determined to purchase the software, the agency improperly credited GDIT's proposal with strengths associated with its software approach under the mission operations and support and technical capability factors. Protester's Comments and Second Supp. Protest at 7-22.

Here, the RFTOP stated that the agency would evaluate (under the technical capability factor) each offeror's approach to performing the requirements of the PWS. RFTOP attach. 2, Proposal Instructions (amend. 2), at 6. The RFTOP also stated that the agency would evaluate (under the missions operations and support factor) each offeror's approach to identifying problems likely to arise under the PWS and proposing solutions to those problems. *Id.* The RFTOP specifically indicated offerors were expected to implement a configuration management database (CMDB), but the Army also explained that "the Government has not yet designated a CMDB application, so [offeror] may propose a viable candidate." RFTOP attach. 14, Answers to Industry Day Conference Questions from Offerors, at 2; see also PWS at 25-26. Accordingly, we find the agency's consideration of offerors' software approaches under non-price factors to be contemplated by the solicitation, whether or not the Army ultimately determined to follow the successful offeror's recommended solution.

GDIT's final revised proposal recommended that the Army purchase two primary software solutions, the Altiris (for configuration management) and Remedy (for help desk management).<sup>10</sup> AR, Tab 14, GDIT Final Revised Proposal, vol. I, at 51. Although emphasizing the advantages that GDIT could provide upon a transition to

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<sup>10</sup> GDIT's proposal also recommended a third software solution, Symantec Security Information Management (SSIM). AR, Tab 14, GDIT Final Revised Proposal, vol. II, at 75-76. Although STG argues that SSIM was significant to GDIT's technical approach, STG identified only one reference to SSIM in GDIT's final revised proposal. Protester's Comments and Second Supp. Protest at 13. Our review of the record, also, does not support STG's claims that SSIM was significant to GDIT's approach.

Altiris and Remedy, GDIT's proposal also committed the firm to meeting the Army's performance requirements using existing software tools to implement a CMDDB and help desk tracking. AR, Tab 14, GDIT Final Revised Proposal, vol. II, at 46-47 (disusing benefits of Altiris and Remedy); id., vol. II, at 8, 60, 128 (affirming commitment to work with existing software tools). In its cost proposal narrative, GDIT also furnished an initial estimate of the cost to the Army to purchase Altiris and Remedy. Id. vol. V, at 23. It did so in its narrative for CLIN X005, the solution development bill of materials, which the RFTOP linked to the PWS change management requirements and included engineering solutions in the form of major additions of hardware and software.<sup>11</sup> As the RFTOP stated, this CLIN was not to be included in the price evaluation. See RFTOP attach. 2, Proposal Instructions (amend. 2), at 7-8 (noting that price evaluation would be calculated by adding only the fixed price CLINs--that is, 15 services CLINs, two network growth CLINs, and the two cost-reimbursement CLINs for surge support and overtime).<sup>12</sup> Accordingly, we find no merit to the protester's argument that GDIT should have added the price of the recommended software to its costs.

STG also argues that the Army disparately treated offerors by evaluating STG's proposed use of new software as a weakness, while evaluating GDIT's proposed use of new software as a strength. We note first that the weakness assigned to STG's final revised proposal was unrelated to new software or configuration management. Rather, a weakness was assigned to STG under the technical capability factor because STG had provided for direct reporting from one of its subcontractors to a government official, which thus bypassed the authority of the contracting officer's representative; there were no weaknesses assigned to STG's mission operations and support approach. AR, Tab 12, Addendum to Source Selection Decision Document, Oct. 12, 2011, at 5, 7. In contrast, the strength identified for GDIT's proposal under the mission operations and support factor was

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<sup>11</sup> The RFTOP provided that the solution development bill of materials was to reflect "all hardware components, software components, and other materials required to satisfy [a] change-management request. . . . See 'Solution Development Bill of Materials (BOM)' CLIN." PWS at 29. Such change management requests were defined as including both technical solutions (routine additions of hardware and software), and engineering solutions. Id. at 27-28. Of the two, an engineering solution would involve major additions of hardware and software that did not exist on the Army's systems, and would "typically involve installations of new [information technology] systems and/or capabilities." Id.

<sup>12</sup> STG's final revised proposal also recommended implementation of Remedy, and placed the associated cost under STG's price narrative for CLIN X005, the solutions development bill of materials. STG explained that it could provide a price quote for Remedy, for government approval, if the Army decided to implement that recommendation. AR, Tab 13d, STG Final Revised Proposal, at 50.

not that its approach required new CMDB software, but rather that GDIT's proposal provided a superior approach to network scalability. Id. at 5, 17.

Nevertheless, STG argues that disparate treatment and misleading discussions occurred because of an alleged difference between discussions questions posed to STG during the first round of discussions, compared to the network scalability strength assigned to GDIT's final revised proposal in the final evaluation. Specifically, STG argues that the Army--during the discussions on the initial proposals--had "already advised STG that STG's proposed solution requiring the Government to purchase an expensive software program--Remedy--was a significant weakness" and therefore "such a proposal . . . had to be a significant weakness for GDIT as well" in the final evaluation. Protester's Comments and Second Supp. Protest at 21; see also Protester's Supp. Comments at 22-25.

Since FAR § 16.505 does not establish specific requirements for discussions in a task order competition, exchanges in that context, like other aspects of such a procurement, must be fair. CGI Fed. Inc., B-403570 et al., Nov. 5, 2010, 2011 CPD ¶ 32 at 9.

Our review of the record undercuts the premises of STG's argument because neither STG's significant weakness, nor GDIT's strength, was for requiring the Army to purchase an expensive software program. Fundamentally, the significant weakness for STG that was raised in the initial round of discussions was a set of broader concerns over the firm's approach to configuration management--among which were that STG had explained an approach that addressed only part of the configuration management requirement (managing the CENTRIXS-K system), while failing to address another (the GCCS-J system); that the firm's approach relies on purchase of a very expensive CMDB program, while not explaining how either having or not having that CMDB software would affect its risk management strategy; and that the firm's experience did not show the ability to execute information technology infrastructure library approach (among other things). AR, Tab 22a, STG Initial Discussions, at 27. Thus, record does not support the claim that the significant weakness assigned to STG's initial proposal was simply because its proposal required the Army to implement new CMDB software.<sup>13</sup>

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<sup>13</sup> Indeed, one inquiry to STG during the initial discussions expressly stated that the Army "intends to move to Remedy at an undetermined date, [but] we are currently using [another software system]," and asked STG to explain its approach until then, and to further explain whether STG would provide support for a transition "[o]nce a date has been determined to move to Remedy." Id. at 41. Even if STG had interpreted the Army's discussions as implying that new CMDB software was not allowed, that interpretation would have been called into question when the discussions also stated that the Army did intend to make a transition to Remedy. If the two inquiries in the discussions truly seemed to conflict, STG should have sought  
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Furthermore, and also contrary to STG's argument, the strength assigned to GDIT's final proposal for a superior approach to network scalability was not that GDIT required new software, but instead that its approach was more proactive, comprehensively covered the increased needs of arriving military units, provided methods for testing the development and implementation of its network scalability plans during military exercises, and provided for continually monitoring for "no notice" contingency-based warfighter requirements. AR, Tab 12, Addendum to Source Selection Decision Document, Oct. 12, 2011, at 17. The SSA contrasted this strength to STG's approach, which the SSA described as sound, but lacking the depth of understanding of GDIT's approach. Id. We see no basis in the record for STG's claim that this strength of GDIT's proposal was that it proposed to require the Army to purchase new software. STG has thus failed to show that the Army provided misleading discussions or unequal treatment.

#### Best Value Tradeoff

STG argues that the Army failed to identify any advantages of GDIT's approach that would justify paying GDIT's higher price, and therefore the Army failed to make a reasoned best value decision. Supp. Protest at 9; Protester's Comments and Second Supp. Protest at 28-29. STG argues that a difference of one adjectival rating, under one factor out of four factors, cannot reasonably support a price difference of \$1 million. Supp. Protest at 9.

As noted above, the RFTOP provided that a task order would be issued to the offeror whose proposal provided the best value to the Army, and price was approximately equal in significance to the combination of all non-price factors. RFTOP attach. 2, Proposal Instructions (amend. 2), at 6. Also as discussed above, the evaluators identified GDIT's approach under the mission operations and support factor as superior to STG's approach.

Our review of the record here shows that the source selection decision explains a well-reasoned basis for a tradeoff that justified paying GDIT's higher price. The SSA explained that GDIT's proposal presented to "two significant areas of differences" from STG's proposal under the mission operations and support factor.<sup>14</sup> AR, Tab 12, Addendum to Source Selection Decision Document, Oct. 12, 2011, at 17.

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clarification. An agency's discussions are not misleading where a protester misinterprets them, if a reasonably diligent competitor would have at least sought clarification from the agency. American Sys. Corp., B-292755, B-292755.2, Dec. 3, 2003, 2003 CPD ¶ 225 at 7.

<sup>14</sup> We note that the SSA also identified a minor advantage for GDIT's proposal under the technical capability factor. AR, Tab 12, Addendum to Source Selection Decision Document, Oct. 12, 2011, at 18.

First, GDIT showed more innovating thinking and creativity in its plan to handle increased demands of a highly complex problem--network scalability--arising from combat and support units arriving in the Korean theater. GDIT's advantage in network scalability included its approach to developing and implementing its techniques during scheduled military exercises. GDIT's approach thus went "far beyond scalability issues within daily operations" typified by STG's approach. Id. Second, GDIT provided a clear and integrated initial phase-in transition plan that "extends beyond development under unspecified operational conditions to illustrating a clear understanding of key theater specific mission challenges underscoring regional instability." Id. Considering these differences, the SSA explained that the value of GDIT's proposal provided better understanding of the parallels between the Army's mission and GDIT's supporting role, and provided better control of risk. These, in the SSA's judgment, justified paying the evaluated price difference of \$1 million over 5½ years.

Our review of the contemporaneous decision reflects that the SSA had a thorough understanding of differences between the proposals of the two firms, including differences in their technical approaches and staffing. Since the SSA's judgment is consistent with the evaluation scheme, and the SSA identifies specific advantages in GDIT's approach that reasonably support the decision to pay a \$1 million price difference, we deny the protest.

The protest is denied.

Lynn H. Gibson  
General Counsel