

United States Government Accountability Office Washington, DC 20548

DOCUMENT FOR PUBLIC RELEASE

The decision issued on the date below was subject to a GAO Protective Order. This redacted version has been approved for public release.

Decision

Matter of: Northrop Grumman Systems Corporation

File: B-406411; B-406411.2

Date: May 25, 2012

Richard A. Sauber, Esq., Deneen J. Melander, Esq., Michael L. Waldman, Esq., and Erin C. Blondel, Esq., Robbins, Russell, Englert, Orseck, Untereiner & Sauber LLP, and Valerie Caproni, Esq., and Kenneth M. Reiss, Esq., Northrop Grumman Systems Corporation, for the protester.

Mark D. Colley, Esq., Kara L. Daniels, Esq., Stuart W. Turner, Esq., and Lauren J. Schlanger, Esq., Arnold & Porter LLP, and Rebecca B. Ransom, Esq., Raytheon Company, for Raytheon Company, an intervenor.

Major John Page, Jason R. Smith, Esq., and Kerry Carlson, Esq., Department of the Air Force, for the agency.

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

DIGEST

Protest alleging that contracting agency improperly and disparately evaluated proposals is denied where the record reflects that the evaluation was reasonable and consistent with the stated evaluation criteria, and that differences in the evaluation were not the result of unequal treatment.

DECISION

Northrop Grumman Systems Corporation, Electronic Systems (Northrop Grumman), of Linthicum, Maryland, protests the award of a contract to Raytheon Company, of El Segundo, California, under request for proposals (RFP) No. FA8730-11-R-0014, issued by the Department of the Air Force to procure a Dismount Detection Radar (DDR) system for the MQ-9 Block 5 Reaper remotely piloted aircraft. Northrop Grumman argues that the agency improperly and disparately evaluated the proposals.

We deny the protests.

BACKGROUND

The DDR system is intended to provide a ground moving target indicator capability to detect and track vehicles and dismounts. The system, operating as a pod on the MQ-9 Block 5 Reaper, will allow combatant commanders and their forces to identify and eliminate threats before adversaries engage in harmful activities against the United States and Coalition Forces. RFP Statement of Objectives (SOO) at ¶¶ 1, 2; Contracting Officer's (CO) Statement at 2. According to the agency, the DDR system is an urgent and compelling need of the warfighter. Through this procurement, the agency intends to field four DDR units by the fourth quarter of fiscal year (FY) 2014. Given the urgency of the requirement, the Air Force structured this as a Quick Reaction Capability program, which significantly accelerates the acquisition cycle over conventional radar programs. ¹ Id.

In early 2011, the Air Force issued a sources sought synopsis to gauge the level of market interest and ability to meet this need. The agency envisioned the radar as comprising three major subsystem--an antenna subsystem, a receiver/exciter subsystem, and a processor subsystem. Agency Report (AR), Exhibit (Exh.) 64, Sources Sought Synopsis, at 4-5. The agency found that only two responding firms had the potential to deliver the required number of DDR systems within cost and schedule constraints, Northrop Grumman and Raytheon. AR, Exh. 65, Justification and Approval for Other Than Full and Open Competition, at 4-6, 8. A key factor in reaching this conclusion was that both firms described designs that leveraged existing technology from other programs. Id. The agency proceeded with a limited competition between Northrop Grumman and Raytheon. To reduce DDR delivery schedule risk, both firms were awarded initial contracts to mature their designs. Id. at 8. These contracts required the firms to provide final detailed design reports prior to the start of source selection under the phase of the procurement at issue in this protest. AR, Exhs. 66 and 67, Initial Radar Design Contracts, SOO at ¶ 4.

The subject RFP, issued on October 13, contemplated the award of a cost-plus-incentive fee contract, with a cost-reimbursable contract line item for travel costs. RFP § L.1.2. The selected contractor will design, engineer, manufacture, produce, integrate, test, field, and provide pre-operational support for four DDR pod systems and six Ground Command, Control and Communication/Processing, Exploitation and Dissemination (C3/PED) stations, designed to operate in accordance with the DDR Requirements Document and the SOO. RFP SOO at ¶ 2. The DDR units are to be fielded by the fourth quarter of FY 2014 (September 30, 2014), with the period of performance ending on March 31, 2015. RFP at § L.1.0 and Appendix C.

_

¹ Quick Reaction Capability programs leverage Department of Defense (DOD) procedures and authorities to speed up the fielding of systems and capabilities to satisfy near-term urgent warfighting needs. Air Force Instruction (AFI) 63-114, Quick Reaction Capability Process, at ¶ 1.1.

Award was to be made to the offeror whose proposal represented the best value to the government based on an integrated assessment of three evaluation factors: (1) schedule; (2) technical capability (comprised of two subfactors, technical performance, and engineering and management integrated processes--technical performance was considered more important); and (3) cost/price. RFP §§ M.1.1, M.2.1. The schedule factor was more important than the technical capability factor; when combined, these factors were approximately equal to the cost/price factor. Each offeror's technical solution would be assessed both technical and risk ratings for the schedule factor and for each technical capability subfactor. RFP §§ M.2.2.1, M.2.2.2. For the technical ratings, the Air Force was to evaluate the quality of the technical solutions as outstanding, good, acceptable, and so on. In assessing the risk associated with each approach, which was to be evaluated as low, moderate, or high, the Air Force was to consider such things as the potential for disruption of schedule and the need for increased government oversight. Id.

Under the schedule factor, proposals were to be evaluated as to whether the offeror demonstrated a comprehensive and supportable schedule that met the RFP's scheduled milestones. In this regard, the RFP established that the criterion would be met when the proposed schedule demonstrated "fielding" of four DDR systems by the fourth quarter of FY 2014. Fielding was defined as having, at a minimum: (1) one unit integrated and flight tested on a MQ-9 Block 5 Reaper deployed to theater having completed a capabilities and limitations assessment; (2) three units built-up, certified airworthy, determined to meet performance specifications, and ready to be employed as missions dictate; and (3) C3/PED in place, and connected to users and exploitation nodes. RFP § M.2.3.

Under the technical capability factor, proposals were to be evaluated on how well they addressed the requirements set forth in the DDR Requirements Document. According to the RFP, certain "key" requirements had to be met for a proposal to be acceptable, and positive consideration would be given when other requirements were met. RFP § M.2.4. Under the technical performance subfactor, the only subfactor at issue in this protest, the agency was to evaluate the extent to which an offeror provided a comprehensive solution that addressed the requirements. Specifically, the RFP grouped the requirements in several areas for evaluation, including those associated with satisfying specific DDR radar performance requirements; making maximum use of non-developmental items and reuse techniques/tools to facilitate schedule, cost and risk reduction; and meeting applicable DOD Information Assurance requirements. RFP § M.2.4.1.

Cost proposals were to be evaluated based on total evaluated price, determined by a cost/price realism assessment, and calculated as the government estimate of most probable cost (GEMPC). RFP § M.2.5.3.

Northrop Grumman and Raytheon submitted proposals and made oral presentations in November. The source selection evaluation team completed its initial evaluation and briefed the source selection authority (SSA). Written and oral discussions were conducted with both firms, and both provided final proposal revisions (FPR). The source selection evaluation board (SSEB) evaluated the FPRs, briefed the source selection advisory council (SSAC) on its findings, and prepared a proposal analysis report (PAR). The SSAC prepared a comparative analysis report (CAR) and briefed the SSA on its recommendation that award be made to Raytheon. The final evaluation results were as follows:

		Northrop Grumman	Raytheon
Schedule	Technical Rating Risk Rating	Good 2 Strengths Moderate	Good 1 Strength Low
	_	1 Weakness	LOW
Technical Capability	Technical Performance Technical Rating Risk Rating	Good 21 Strengths Low	Good 23 Strengths Low
	Trisk realing	LOW	1 Weakness
	Engineering Process Technical Rating	Good 5 Strengths	Good 5 Strengths
	Risk Rating	Low	Low
Total Evaluated Price (GEMPC)		\$77.8 million	\$77.2 million

AR, Exh. 51, SSEB/SSAC Briefing to SSA at 30, 33-59.

In response to comments from the SSA, the agency revised the PAR in certain respects as documented in an addendum. In making his source selection decision, the SSA conducted an integrated assessment and found that Raytheon's proposal presented a lower evaluated cost, less risk in the schedule factor, and a higher performing and more capable DDR system in the technical performance factor. ² He considered Raytheon's proposal to be the best value for the government.

As set forth more fully below, the SSA first found that Raytheon had the stronger proposal under the schedule factor based on differences in the maturity of the offerors' antenna array design/built/test efforts. <u>Id.</u>, at 3, 6. Second, under the technical performance subfactor, the SSA explained that Raytheon's one weakness was based on its proposal of [DELETED] flight tests, an insufficient number. The SSA concurred with the technical team's conclusion that four additional flight tests would be required; given Raytheon's approach, [DELETED] flight tests would be

² The SSA found the proposals equal under the other technical capability subfactor. AR, Exh. 55, Source Selection Decision Document (SSDD), at 8.

adequate. Raytheon's GEMPC was adjusted upward to account for the additional flight tests. Overall, the SSA concluded that Raytheon's proposal, and its combined performance in the areas of radar performance, non-developmental items reuse, scalability and upgradeability, and information assurance, offered significantly more benefit to the government than did Northrop Grumman's proposal. <u>Id.</u> at 4, 7-8. Although Northrop Grumman distinguished itself in certain areas, it was not enough to overcome Raytheon's overall superior DDR system performance and capabilities. <u>Id.</u> at 4, 7-8. The SSA also noted that Raytheon's proposal had the lowest evaluated cost. <u>Id.</u> at 5.

Both firms were notified of the award decision on February 2, 2012. Northrop Grumman filed its initial protest after its debriefing.

DISCUSSION

Northrop Grumman primarily challenges numerous aspects of the Air Force's evaluation of the proposals and alleges that they were disparately evaluated.

The evaluation of technical proposals is a matter within the agency's discretion, since the agency is responsible for defining its needs and for identifying the best methods of accommodating those needs. DME Corp., B-401924, B-401924.2, Dec. 22, 2009, 2010 CPD ¶ 44 at 6. Our Office will not reevaluate technical proposals; rather, we will review a challenge to an agency's evaluation only to determine whether it was reasonable and consistent with the terms of the solicitation and applicable statutes and regulations. Shumaker Trucking & Excavating Contractors, Inc., B-290732, Sept. 25, 2002, 2002 CPD ¶ 169 at 4. A protester's mere disagreement with the agency's judgment regarding the relative merits of competing proposals does not establish that the evaluation was unreasonable. Nat'l Gov't Servs, Inc., B-401063.2, et al., Jan. 30, 2012, 2012 CPD ¶ 59 at 5; DME Corp., Supra. Our decision does not specifically address all of Northrop Grumman's arguments, but we have fully considered each of them and conclude that they do not provide a basis to sustain the protests.

Factor 1 - Schedule

1. Antenna Design

Northrop Grumman argues that the Air Force improperly evaluated its proposal as having a moderate schedule risk associated with the maturity level of its antenna design. To the extent such concerns were valid, Northrop Grumman maintains that the agency's evaluation reflected disparate treatment because, in the protester's view, Raytheon's antenna design should have raised similar concerns. As discussed below, Northrop Grumman's arguments are without merit.

As a general matter, the record reflects that the relative maturity of the offerors' antenna arrays was a primary discriminator identified by the agency. Northrop Grumman proposed to use an antenna array that is in the process of being designed under a separate effort. Under this separate effort, however, the design will only be taken to the point of [DELETED].³ The record reflects that the agency had concerns regarding the maturity of Northrop Grumman's antenna array, and that this concern was the primary basis for its "moderate" risk rating under the schedule factor. AR, Exh. 53, CAR, at 1-2. Raytheon, on the other hand, proposed a more mature system, one that reuses array components already built-up and tested. Comparatively, the SSA found that Raytheon's proposal was stronger based on its use of an antenna array with a higher level of developmental maturity. AR, Exh. 55, SSDD, at 3, 6.

More specifically, while Northrop Grumman proposed to reuse its receiver/exciter and processor from other programs with minor modifications, its antenna remains a development item being designed under a separate program and leveraged for the DDR application with minor modifications. AR, Exh. 8, Northrop Grumman Initial Schedule Volume, at 20. After completing the design, [DELETED]. CO's Statement at 26. During discussions, the agency noted that Northrop Grumman's critical path reflected an approximately [DELETED]-month antenna design/build/test (out of a [DELETED]-month radar development effort). The agency informed Northrop Grumman that it was concerned with schedule risk since the proposed antenna was based on a design from another effort which did not [DELETED], and asked the firm to provide its view of the risk and steps to mitigate any such risk. AR, Exh. 16, Northrop Grumman Evaluation Notice (EN) N0021.

Northrop Grumman considered the effort to be low risk based on such things as increased emphasis on oversight, schedule margin, and a schedule risk analysis. <u>Id.</u> In its assessment of the firm's response, the agency considered the maturity of the proposed design, the starting point of the effort ([DELETED]), the amount of time in Northrop Grumman's schedule, including proposed margin, and technical risk. CO's Statement at 26-27; AR, Exh. 28, Pre-FPR Consensus Summary, at 2; Exh. 52, PAR, at 14-15. Based on this review, the Air Force remained concerned that the firm's antenna was at a lower maturity level ([DELETED]) than the other DDR components which had already been developed and tested. Since, in the agency's estimation, the antenna would require more time to develop and test than other DDR components, and would not be available to support integration and testing with other major components until well into the program, the Air Force was concerned that slips in the antenna effort would negatively impact the overall DDR schedule. AR, Exh. 38, FPR Consensus Summary, at 2. As a result, the weakness remained a concern and Northrop Grumman's proposal was evaluated as reflecting a "moderate" level of schedule risk because the antenna design, build, and test

³ [DELETED]. Supplemental Legal Memorandum, at 7.

effort would require close government and contractor monitoring.⁴ <u>Id.</u>; <u>see also AR, Exh. 52, PAR, at 15.</u>

Northrop Grumman argues that its proposed antenna design is not [DELETED], and integrates primarily reused components. The Air Force acknowledges that the firm proposed a high level of reuse of the antenna's subcomponents. AR, Exh. 53, CAR, at 2, 4. The agency explains, however, that the integration of these subcomponents into a working antenna with fundamentally new properties represents a fundamentally new antenna that has not yet been developed or tested. Supp. Legal Memo, at 5. The agency further explains that Northrop Grumman's final antenna design was [DELETED] and could best be described in terms of [DELETED] level design, which the agency refers to as [DELETED] design. Id., at 7, citing AR, Exh. 8, Northrop Grumman Initial Technical Volume, at 52. While Northrop Grumman maintains that its risk mitigation measures should have been sufficient to allay the agency's concerns, the protester's arguments in this regard essentially reflect mere disagreement with the agency's subjective evaluation judgments and do not support a conclusion that they were fundamentally unreasonable. Nat'l Gov't Servs.. Inc.. supra.

Northrop Grumman also argues that the proposals were evaluated in a disparate manner since Raytheon's antenna was no more mature than its own, yet Raytheon received a "low" risk rating for its schedule. The protester's challenge in this regard hinges on the contention that Raytheon did not propose 100 percent reuse of all major hardware components--and that its antenna has not already been developed, built, and tested--because Raytheon has not yet developed its proposed [DELETED]. Northrop Grumman insists that the [DELETED] is part of Raytheon's antenna subsystem and that Raytheon's antenna requires development that raises the same schedule risks as those raised by its own proposal. The record does not support the protester's contentions.

The Air Force explains that its confidence in Raytheon's proposal was based partly on its proposed 100 percent reuse of all major hardware components--the antenna, the receiver/exciter, and the processor. In other words, according to the Air Force,

⁴ Risk was to be rated consistent with DOD Source Selection Procedures. RFP § M.2.2.2. Those procedures define moderate risk as "can potentially cause disruption of schedule, increased cost or degradation of performance. Special contractor emphasis and close Government monitoring will likely be able to overcome difficulties." AR, Exh. 60, DOD Source Selection Procedures, at 16.

⁵ In discussing the potential for schedule slips in the context of this Quick Reaction Capability effort, the agency found that Northrop Grumman's predicted schedule margin did not provide much cushion and that the effort would require close government monitoring. AR, Exh. 28, Pre-FPR Consensus Summary, at 2.

Raytheon's antenna was beyond a "paper" design and had been developed, built, and tested. Supp. Legal Memo at 7; AR, Exh. 53, CAR at 1-2.

The Air Force further explains that the [DELETED] is not part of Raytheon's DDR antenna, so it is not considered a major component or a "key" DDR antenna component. Supp. Legal Memo at 8. Raytheon's proposal distinguishes between its antenna subsystem and the [DELETED]--the proposal states that the [DELETED] is accomplished by "adding an [DELETED] to the antenna subsystem" to enable direct reuse of the [DELETED] subsystems. AR, Exh. 8, Raytheon Initial Technical Proposal, at 39; see also Raytheon Oral Presentation, at 63, 65. Based on the information in Raytheon's proposal concerning its plan and schedule to develop and produce the [DELETED]--which, as its name indicates, is an [DELETED], and not itself a major radar component--the agency was satisfied that the proposal posed a "manageable" risk and assessed it a low schedule risk. AR. Exh. 41. FPR Consensus Summary, at 1. Northrop Grumman has given us no basis to question the agency's conclusion that Raytheon proposed 100 percent reuse of all major hardware components or that its risk evaluation was unreasonable. The record shows the differences in risk ratings was not the result of unequal treatment, but stemmed from differences between the offerors' proposals. Honeywell Tech. Solutions, Inc., B-400771, B-400771.2, Jan. 27, 2009, 2009 CPD ¶ 49 at 13.

2. Flight Tests

Northrop Grumman next argues that Raytheon's proposal should have received a high risk rating for its schedule based on the agency's determination, under the technical performance subfactor, that it failed to propose an adequate number of flight tests. According to the protester, the agency's determination that only four additional flight tests would be required is unsupported. Northrop Grumman further argues that the addition of only four flight tests should have raised Raytheon's schedule risk. We address each of these areas in turn.

Raytheon proposed to conduct its flight test verification of the DDR system with [DELETED] flights on a [DELETED] surrogate aircraft followed by [DELETED] flights on the Reaper Block 5 aircraft, which would allow it to begin system testing well in advance of the availability of the Block 5 aircraft. AR, Exh. 8, Raytheon Initial

Page 8

⁶ Northrop Grumman's argument concerning the number of additional flight tests required is a challenge to the technical performance evaluation. However, since this issue forms the basis of its schedule risk challenge, we address it here.

⁷ For purposes of evaluation, offerors were to assume that the Block 5 Reaper would be available for integration on January 1, 2014. RFP § L.4.2.1(c). The RFP anticipated that offerors could begin testing on a surrogate air vehicle if the Block 5 Reaper was not available. RFP SOO at ¶ 3.5. Both offerors proposed to do so.

Schedule Volume, at 5, 42. As a contingency for various delays that could arise, Raytheon planned for [DELETED] additional flights for each of the [DELETED] required flights, for a total of [DELETED] potential test flights. These risk mitigation flights would take place during the planned flight test period. <u>Id.</u>, Raytheon Initial Technical Volume, at 67. Raytheon stated that the scheduled completion date of all critical path tasks was based on the most likely task durations and resulted in a substantial margin. <u>Id.</u>, Raytheon Initial Schedule Volume, at 5. The Air Force asked Raytheon for additional information to support its estimates related to the flight tests. AR, Exh. 19, Raytheon EN-R0021A.

In response, Raytheon explained that its methodology included an approach effort where performance would be evaluated and design changes put into place [DELETED] to support the development effort and culminate in a capabilities and limitations assessment flight. Raytheon explained that its plan defined objectives to be met during each scheduled flight, and provided those objectives in significant detail. Raytheon stated that there was sufficient time in the schedule to have mitigation flights in order to meet any flight objectives not met by the primary flights. Id.

The Air Force considered Raytheon's written and oral responses and still found the number of flights insufficient. The agency estimated that [DELETED] flights would be required for system troubleshooting, verification of the radar software modes, and capabilities and limitations testing. The agency concluded that, given Raytheon's approach, a [DELETED] percent increase in flights (from [DELETED] to [DELETED] flights) and associated labor hours would be adequate, along with the corresponding GEMPC adjustment. AR, Exh. 51, SSEB/SSAC Briefing to SSA, at 57. The PAR listed the issue as a weakness in Raytheon's proposal under the technical performance subfactor. The PAR explained that, during oral discussions, Raytheon stated its intent to use flight verification data from flight testing of legacy radar components on other programs to verify a number of DDR radar requirements, which would minimize the data collection and verification requirements on DDR flight tests. AR, Exh. 52, PAR, at 29, 47. The PAR initially stated that the technical team validated that some testing on one of the programs was highly probable, but that there was doubt whether all components would be flight tested in advance of DDR tests. Id.

However, based on comments it received from the SSA, the technical team reconsidered the issue and documented its findings in a PAR addendum. The addendum states that the team "validated that all major radar hardware components ([receiver/exciter], processor, and array panels) will be flight tested in advance of DDR tests." AR, Exh. 52, PAR Addendum, at 3. The addendum explained that the team thought an addition of just four flights was reasonable for completing all test objectives because 1) Raytheon proposed 100 percent reuse of the major radar hardware items, and 2) the government found that all major radar components will

be flight tested via other programs in advance of DDR tests, and the DDR team will have access to this test data and test activities. Id. at 3-5.

In making his source selection decision, the SSA stated that Raytheon proposed to leverage flight testing from other ongoing programs, and would provide the DDR team insight into this test data and test activities. Since Raytheon proposed 100 percent reuse of the major hardware items, the SSA considered this an acceptable approach and concluded [DELETED] test flights were adequate. AR, Exh. 55, SSDD, at 6.

Northrop Grumman challenges the SSA's conclusion that only four additional test flights were required, arguing that the agency's underlying evaluation findings are unsupported.⁸ As discussed below, the agency's evaluation is supported by the record and we have no basis to find it unreasonable.⁹

First, to the extent Northrop Grumman challenges the agency's determination that Raytheon proposed 100 percent reuse of the major hardware items, as discussed above, the record supports the agency's finding in this regard. We need not address this point further. <u>See</u> discussion <u>supra</u> at 7-8.

Second, the record supports the finding that Raytheon proposed to leverage flight testing from other ongoing programs. During oral discussions, Raytheon specifically advised the Air Force of its intent to use flight verification data from flight testing of similar radar receiver/exciter, processor and antenna array configurations on other programs [DELETED] to verify a number of DDR radar requirements. AR, Exh. 53, PAR, at 47. After the SSA asked for clarification, the agency validated that "all major radar components ([receiver/exciter], processor, and array panels) will be flight tested in advance of DDR tests." Id., PAR Addendum, at 3-4. The Air Force explains that this validation was based on its knowledge of these other programs, described in Raytheon's proposal.

⁸ We need not address Northrop Grumman's challenge to the methodology for calculating the GEMPC adjustment to account for four additional flight tests; even under the protester's calculations, Raytheon would remain the lowest evaluated price offeror.

⁹ Northrop Grumman suggests that the agency should have normalized the number of flight tests proposed by both firms because it proposed substantially more flight tests than did Raytheon. However, the offerors' flight test approaches were based on their experiences with other programs, and there is no reason to think that only one approach was acceptable. There is no evidence in the record that the agency thought Northrop Grumman proposed too many flight tests; the protester's argument that discussions with it were misleading (for causing the firm to believe it had not proposed enough flight tests) and not meaningful (because the agency did not disclose that it proposed too many flight tests) is without merit.

Northrop Grumman argues that it was improper for the Air Force to consider extrinsic information in evaluating Raytheon's proposal. The protester cites to the general instructions in section L of the RFP, which stated that "offerors shall assume that the government has no prior knowledge of their facilities and experience and will base its evaluation on the information presented in the offeror's proposal." RFP § L.2.0.

An agency's evaluation is not generally limited to the four corners of an offeror's proposal; an agency may rely upon other extrinsic information of which it is aware. <u>PWC Logistics Servs. Co.</u>, B-400660, Jan. 6, 2009, 2009 CPD ¶ 67 at 7-8; <u>Bath</u> Iron Works Corp. B-290470, B-290470.2, Aug. 19, 2002, 2002 CPD ¶ 133 at 23 (in evaluating proposals, contracting agencies may consider any evidence, even if that evidence is entirely outside the proposal). Here, the RFP instructions do not prohibit the agency from using its knowledge about the offerors' other programs in conducting its evaluation; as Northrop Grumman is aware, such a prohibition would make no sense in the context of this procurement. This procurement is grounded in the agency's prior knowledge of both offerors' existing radar programs, from which their solutions were leveraged. This in-depth knowledge was gained, in part, through the final design reports provided by both firms pursuant to their study contracts. The study contracts stated that the initial radar design reports may be used to validate information provided in the technical proposals. AR, Exhs. 66 and 67, Study Contracts, at SOW ¶ 2. Both firms referenced their final design reports in their technical volumes here. There was nothing improper about the Air Force's use of extrinsic information to validate information in Raytheon's proposal.

Finally, the record supports the agency's finding that Raytheon proposed to give DDR insight into test data and test activities with regard to the flight tests. During discussions, in connection with Raytheon's proposal to leverage reuse items, the agency expressed concern that these components may have to operate in different environments from which they were previously tested. Raytheon was asked, "Will the Government Program Office have access to existing test and qualification data for NDI and re-use items during program execution for review?" AR, Exh. 18, Raytheon EN-R0038. Raytheon's response was, "Yes. Raytheon expects the Government Program Office to have access to existing test and qualification data for both non-development items and re-use items during program execution." Id. Northrop Grumman argues that the question does not specifically address the flight test data. However, both the question and answer were broad and unqualified. In the absence of any evidence that Raytheon's unequivocal answer can be read to exclude test and qualification data associated with the flight tests, we have no basis to find unreasonable the agency's view that it would have access to this data.

Northrop Grumman next argues that the Air Force's determination that Raytheon's schedule could accommodate four more flight tests was unreasonable and not supported by the record. According to the protester, Raytheon will need an

additional 1.6 months to complete the flight testing and that its schedule does not contain this flexibility. Northrop Grumman Comments, Mar. 26, 2012, at 21.

There is no contemporaneous written record of the agency's consideration of the potential impact of adding these additional test flights to Raytheon's schedule. However, the Air Force provided an affidavit from the DDR program project manager in which he explains how the SSEB contemporaneously reviewed and discussed Raytheon's schedule as it concerned this issue during the evaluation. DDR Project Manager Affidavit, at 1.

The project manager explains that, as noted above, Raytheon proposed a total of [DELETED] flight tests, all of which would take place during Raytheon's planned flight test period. Under Raytheon's schedule, the flight test events span a time period of just under [DELETED] months for all [DELETED] flights. <u>Id.</u> at 2. The project manager next explains that Raytheon's schedule anticipated successful fielding of the DDR system by May 14, 2014. <u>Id.</u>; AR, Tab 25, Raytheon FPR Schedule Volume, at 45. Since the RFP did not require fielding until September 30, 2014, the agency concluded that Raytheon's schedule provided approximately 4.5 months of schedule margin. Affidavit, at 2.

The project manager states that the team took two approaches to evaluate the impact of the additional flights on Raytheon's schedule. First, the agency focused on whether the flights could be absorbed into the existing flight test schedule, based on its proposed frequency of flight test events. The agency considered the number of days between scheduled flight test events, and Raytheon's flight test experience under other programs with which the agency was familiar, and concluded that Raytheon could complete all [DELETED] test flights well within the time allocated by its schedule for flight test activities. Id. at 3. Second, the team assessed the "worst case scenario" of adding all of the additional time needed to conduct the four flights to the end of Raytheon's schedule. Focusing on Raytheon's proposed frequency of flight test events, the agency estimated a worst case scenario that an additional six weeks--1.5 months--would be required to complete four more flight tests. Adding this time to the end of Raytheon's proposed completion date of May 14 resulted in a new estimated completion date of June 25, still leaving Raytheon more than three months of schedule margin. Id. at 3-4. Based on this information, the team concluded that the addition of four flights did not warrant an elevated risk rating for Raytheon's proposed schedule.

Northrop Grumman argues the above schedule risk assessment was unreasonable. According to the protester, the agency improperly assessed the impact of the additional flights based on Raytheon's proposed fielding date of May 14, 2014, and should have considered the impact based on Raytheon's most likely completion date of September 4, 2014, which was set forth in Raytheon's schedule risk analysis. This argument is without merit.

Raytheon's schedule risk analysis estimates how much margin the firm might need during program performance. This amount of margin can be extrapolated to determine a likely completion date under best case, most probable case, and worst case durations. AR, Exh. 18, Raytheon EN R0003. The schedule margin identified in Raytheon's risk analysis is unallocated—the project manager refers to it as a "margin pool"—and can be allocated as time and circumstances dictate during the course of performance. Id.; Affidavit at 4. Raytheon's risk analysis showed September 4 as the most likely completion date, taking into account the most likely occurrences of variables that could adversely affect the schedule; this date is calculated considering approximately 4.5 months of unallocated schedule margin from Raytheon's projected completion date of May 14. As the project manager explains, the risk analysis does not reset the schedule to a later completion date; rather, it confirms that the 4.5 month margin should be more than enough to cover all contingencies, and that the addition of flight tests above those planned is exactly the type of contingency the margin pool was designed to absorb. Affidavit at 4.

Considering the agency's "worst case scenario," which is consistent with Northrop Grumman's own estimate, even if the entire six weeks necessary to complete four additional flight tests is added to the end of Raytheon's proposed completion date of May 14, 2014, the firm has ample schedule margin. The protester's arguments criticizing the agency's analysis and speculating about the bases of Raytheon's risk analysis are not persuasive. As the project manager states, even 20 weeks could be added to Raytheon's proposed completion date before it would exceed the September 30 deadline. An agency need not address each and every feature of a proposal in documenting a source selection decision, but must show only that its evaluation conclusions are reasonably based. ViroMed Labs., Inc., B-310747.4, Jan. 22, 2009, 2009 CPD ¶ 32 at 6. Northrop Grumman has not shown that the agency's conclusions here are unreasonable.

Factor 2 – Technical Capability, Technical Performance Subfactor

¹⁰ The agency initially assigned Raytheon's proposal a weakness based on its risk analysis, but removed this weakness in its final evaluation. The agency concluded that Raytheon's schedule risk was commensurate with the inherent risks of the Quick Reaction Capability program, and did not result from any technical feature of Raytheon's proposal. AR, Exh. 39, FPR Consensus Summary, at 3. While Northrop Grumman argues that it was not afforded similar consideration in terms of the agency's risk assessment, this argument is misplaced. As discussed above, the agency determined that Northrop Grumman's technical proposal, unlike the proposal submitted by Raytheon, presented a moderate level of schedule risk owing to its use of a less mature antenna design.

Northrop Grumman argues that the agency's evaluation under the technical performance subfactor was unreasonable. According to the protester, the agency failed to reasonably assess its proposal strengths in certain areas and evaluated its proposal based on an unstated evaluation factor. The protester also argues that the agency's evaluation under this subfactor reflected the agency's disparate treatment of offerors. As discussed below, these allegations are without merit.

1. Agency's Evaluation of Northrop Grumman's Proposal

Regarding its own proposal, Northrop Grumman argues that the agency failed to assign its proposal a strength for proposing a radar that exceeded the [DELETED] requirements. Generally, ground moving target indicator capabilities are demonstrated by several quantities, including minimum detectable velocity (MDV), target location error (TLE), and area coverage rate. Supp. Legal Memo, at 33. The record reflects that the Air Force initially identified Northrop Grumman's radar performance metrics as a weakness and asked the firm to provide a complete analysis. AR, Exh. 16, Northrop Grumman EN-N0026. In its FPR consensus summary, the agency removed the weakness after analyzing the firm's response and finding it acceptable. AR, Exh. 40, FPR Consensus Summary, at 3-4. The agency stated that Northrop Grumman provided the inputs required for a complete analysis, which led "to the governments' agreement with contractor claims related to [DELETED] performance." Id. at 4. The summary in this same document stated that the team found that the firm would be able to demonstrate radar performance that "meets" the radar performance requirements.

The summary also stated that Northrop Grumman's array "may" offer beyond threshold [DELETED] performance, but the team's analyses showed the design "lacks performance margin" and "may not meet" the firm's claimed [DELETED] performance. <u>Id.</u> at 1. The PAR states that Northrop Grumman's antenna met all radar performance requirements but certain aspects, including [DELETED], were limited in terms of performance margin (the percentage of [DELETED] in excess of that required by the RFP); the comparative analysis report contains similar statements. AR, Exh. 52, PAR, at 25; Exh. 53, CAR, at 3.

Citing solely the statement in the FPR consensus summary that its inputs for the government's analysis "led to the government's agreement with contractor claims related to [DELETED] performance", Northrop Grumman maintains that the agency agreed with its projected calculations regarding its [DELETED], and that it should have received a strength for exceeding the solicitation's requirements in this regard. The protester asserts that the conclusions in the PAR and CAR--indicating that its design lacks performance margin--are simply incorrect.

The statement on which Northrop Grumman relies does not say that the government agreed with the protester's claims regarding its percentage of margin in excess of the required [DELETED]. Moreover, the summary in the same document

clearly states that the team's analyses showed that the design "lacks performance margin." AR, Exh. 40, FPR Consensus Summary, at 1. This is essentially the same conclusion that appears in the PAR and CAR. Thus, Northrop Grumman's selective reading of the record gives us no basis to find that the agency meant to-or should have--concluded that its proposed [DELETED] merited a strength.

Northrop Grumman next argues that the agency should have considered its proposal as superior when considering its reuse of existing hardware and software because it received more strengths than did Raytheon. The number of identified strengths is not dispositive. Agencies may reasonably distinguish between the strengths assigned to offerors, and may conclude a single strength is of more value than multiple, lesser strengths. AdvanceMed Corp.; TrustSolutions, LLC, B-404910.4 et al., Jan. 17, 2012, 2012 CPD ¶ 25 at 21; see also The Boeing Co., B-311344 et al., June 18, 2008, 2008 CPD ¶ 114 at 32 (source selection should generally not be based upon a simple count of strengths and weaknesses, but upon a qualitative assessment of the proposals). 11

Northrop Grumman further argues that the agency introduced an unstated evaluation criterion when it noted that its previous information assurance accreditations did not necessarily meet the same standards of the Air Force's C2 Platform Information Technology (PIT) Designated Accrediting Authority. The protester argues that the RFP only indicated that the agency would evaluate proposals with regard to applicable DOD information assurance requirements.

C2 PIT is an Air Force information assurance process designed to implement DOD information assurance requirements in accordance with one of the RFP's specifications. Supp. Legal Memo at 29. One contract data requirements list (CDRL) included in the RFP (and in Northrop Grumman's proposal) is for a system security plan; this CDRL requires the contractor to follow the C2 PIT certification and accreditation process guide in order to assist the government in obtaining certification and accreditation. RFP Exhibit A, CDRL A029; see also AR, Exh. 36, Northrop Grumman FPR CDRLs Revision, at 220. Procuring agencies are not required to specifically list every area that may be taken into account during an evaluation, provided the areas considered are reasonably related to or encompassed by the stated criteria. Raytheon Co., Space and Airborne Sys., B-298626.2, Sept. 27, 2007, 2007 CPD ¶ 185 at 11. Under the circumstances, the

Page 15

¹¹ Northrop Grumman's challenge to the agency's finding that Raytheon's proposal was superior in the reuse of existing hardware and software primarily rests on its assertion that Raytheon did not propose 100 percent reuse of all major radar hardware components. As previously discussed, this allegation is without merit.

¹² Among other things, this specification requires heads of DOD components to appoint designated accrediting authorities and ensure they accredit each DOD information system. DOD Instruction 8500.2, Information Assurance, at ¶ 5.7.5.

Air Force's consideration of this Air Force-specific information assurance requirement that implements applicable DOD requirements was encompassed by the stated evaluation criteria.

2. Disparate Treatment

Northrop Grumman argues that the agency treated the offerors disparately with respect to their proposed information assurance approach because it assessed Raytheon's proposal, but not Northrop Grumman's, a strength even though the proposals were "substantially identical in all relevant ways." Northrop Grumman Supplemental Comments, Apr. 16, 2012, at 36. The protester also argues that the agency failed to conduct meaningful discussions with the firm in this regard.

Northrop Grumman's argument that its proposal merited the same strength as Raytheon's because both leveraged prior accredited designs is not supported by the record. Raytheon's strengths rest on three features: (1) its proposed approach for information assurance certification leveraged prior accredited designs; (2) its design highlighted specific features; and (3) its level of elaboration for notable controls, which exceeded agency expectations at this stage of the effort. AR Exh. 52, PAR, at 33. In contrast, the agency found that Northrop Grumman's responses, though at a high level, indicated the information assurance requirements would simply be met. The agency stated that Northrop Grumman described past efforts that may be leveraged to attain certification and accreditation, but these previous accreditations were granted by other military branches and did not necessarily meet the same standards of the Air Force's C2 PIT Designated Accrediting Authority. Id. at 26. The record does not show that the proposals were "substantially identical," or that Raytheon's strength rested solely on its leveraging of prior accredited designs. Thus, we have no basis to conclude that it was unreasonable for the agency to have given Raytheon more credit for the greater level of detail in its proposal. IPlus, Inc., B-298020, B-298020.2, June 5, 2006, 2006 CPD ¶ 90 at 13-14.

As a final matter, Northrop Grumman contends that the greater level of detail provided by Raytheon regarding its information assurance approach resulted from discussions that unfairly favored Raytheon. Northrop Grumman maintains that Raytheon was asked a specific question during discussions regarding the requirement, which allowed Raytheon to provide greater proposal detail, yet the agency did not ask the protester to respond to a similarly specific question. This allegation of disparate treatment during the course of discussions is meritless.

Offerors must be given an equal opportunity to revise their proposals, and the Federal Acquisition Regulation (FAR) prohibits favoring one offeror over another, but discussions need not be identical; rather, discussions must be tailored to each offeror's proposal. FAR §§ 15.306(d)(1), (e)(1); WorldTravelService, B-284155.3, Mar. 26, 2001, 2001 CPD ¶ 68 at 5-6.

The Air Force found that Northrop Grumman's proposal appeared to meet all information assurance requirements but its proposal did not substantiate how these requirements would be met, making it difficult to perform a comprehensive assessment of the firm's proposed design and approach. AR, Exh. 11, Initial Technical Evaluation, at 8. The firm was told that this was a significant weakness, and was asked to clarify how it intended to meet information assurance requirements. AR, Exh. 16, Northrop Grumman EN-N0040. The agency thought the firm's response resolved the question and removed the weakness. AR, Exh. 30, Pre-FPR Consensus Summary, at 9-10. The agency's broad concern did not lend itself to a specific question, and clearly put Northrop Grumman on notice that the firm failed to provide sufficient detail in its proposal.

On the other hand, the Air Force found that Raytheon's proposal had two information assurance-related strengths--features that formed two of the three bases for the strength that appears in the PAR. AR, Exh. 12, Initial Consensus Summary, at 7. The agency identified as a weakness that the proposal did not address all information assurance requirements, and asked Raytheon to describe how these specific requirements were accomplished. AR, Exh. 18, Raytheon EN R0041. The agency found Raytheon's response sufficient to remove the weakness. AR, Exh. 41, FPR Consensus Summary, at 10. Part of the response formed the third basis for the strength. Having determined that Raytheon's proposal had strengths in this area, in part because of its detail, the agency identified specific areas for discussion. Given the specificity of this weakness, the agency asked the firm a specific question. There was nothing unfair or otherwise improper about the agency's tailored discussion questions. CHP Int'l, Inc., B-266053.2, Apr. 29, 1996, 96-2 CPD ¶ 142 at 7.

The protest is denied.

Lynn H. Gibson General Counsel

Lynn H. Gibson General Counsel