

**United States Government Accountability Office Washington, DC 20548** 

## DOCUMENT FOR PUBLIC RELEASE

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# **Decision**

**Matter of:** World Airways, Inc.

**File:** B-402674

**Date:** June 25, 2010

Thomas M. Dunlap, Esq., and David Ludwig, Esq., Dunlap, Grubb & Weaver, PLLC, for the protester.

Dismas N. Locaria, Esq., James Y. Boland, Esq., and Robert A. Burton, Esq., Venable LLP, for Federal Express Corporation, and W. Jay DeVecchio, Esq., Kevin C. Dwyer, Esq., and James C. Cox, Esq., for National Air Cargo Group, Inc., the intervenors. Thomas J. Hasty III, Esq., and Sharon A. Jenks, Esq., Department of the Air Force, and Richard W. Gates, Esq., United States Transportation Command, Department of Defense, for the agency.

John L. Formica, Esq., and James A. Spangenberg, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

#### DIGEST

- 1. Agency's evaluation of protester's and awardees' past performance is unobjectionable where in accordance with the terms of the solicitation the agency gave greater weight in the evaluation to the past performance information it considered most relevant to the protested acquisition.
- 2. Agency's selection of higher-priced, higher-rated proposals for award instead of a lower-priced proposal with a "little confidence" past performance rating is unobjectionable, where the agency's tradeoff decision is adequately documented, includes the rationale for the tradeoffs made, and is reasonably based given the broad discretion afforded source selection officials.

## **DECISION**

World Airways, Inc., of Peachtree City, Georgia, protests the award of five contracts to Air Transport International (ATI), Evergreen International Airlines, Federal Express Corporation (FedEx), National Air Cargo Group, Inc. (NAC), and United Parcel Service (UPS), under request for proposals (RFP) No. HTC711-09-R-0022, issued by the United States Transportation Command, Department of Defense, for air cargo transportation services. World Airways argues that the agency's evaluation of proposals and source selection were unreasonable.

## We deny the protest.

The solicitation provided for the award of up to five fixed-price (with economic price adjustment) indefinite-delivery/indefinite-quantity (ID/IQ) contracts, for a base period of 1 year with one 1-year option. The successful contractors will be required to provide, among other things, all personnel, training, supervision, equipment, diplomatic clearances, and customs clearance procedures necessary to perform international commercial air cargo transportation services within the United States Central Command (CENTCOM) Area of Responsibility (AOR). The procurement here implements the CENTCOM Theater Express Program. This program replaces the CENTCOM Theater Express Tender Program, under which these services had been obtained since 2006 "via a non-FAR [Federal Acquisition Regulation] based transportation program." Contracting Officer's Statement at 8. The five awardees listed above, as well as World Airways' principal subcontractor, participated in and provided air cargo transportation services under the CENTCOM Theater Express Tender Program.

The solicitation specified that award would be made to the offeror(s) whose proposal(s) were determined to represent the best value to the government, considering the evaluation factors of past performance, technical plan, and cost/price. Offerors were advised that in determining which proposals represented the best value to the government, the evaluation results under the past performance and technical plan factors would be considered equal in importance, and when combined, would be significantly more important than price. RFP at 39.

The solicitation included a "City-Pair Matrix" that offerors were to complete by inserting a not-to-exceed (NTE) price per pound of cargo for each of the 75 city-pairs designated as "mandatory" in the RFP. The solicitation also informed offerors that they could elect to provide NTE pricing for the remaining city-pairs that were not designated as mandatory. The RFP provided that the proposed prices for the other

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<sup>&</sup>lt;sup>1</sup> The CENTCOM AOR includes the countries of Afghanistan, Bahrain, Egypt, Iran, Iraq, Jordan, Kazakhstan, Kyrgyzstan, Lebanon, Oman, Pakistan, Qatar, Saudi Arabia, Syria, Tajikistan, Turkmenistan, the United Arab Emirates, and Yemen.

than mandatory city-pairs would not be used in calculating the proposal's total evaluated price.<sup>2</sup> RFP at 42; Performance Work Statement (PWS), attach. 1.

The agency received 10 proposals in response to the solicitation and included 9 proposals in the competitive range. The agency conducted discussions with the competitive range offerors, and requested, received, and evaluated final revised proposals. The proposals of the five awardees and World Airways were evaluated as follows<sup>3</sup>:

Offeror	Past Performance	Technical/Risk	Price
ATI	Significant Confidence	Acceptable/Low	\$857,012,760
Evergreen	Significant Confidence	Excellent/Low	\$697,136,073
FedEx	Significant Confidence	Acceptable/Low	\$687,774,267
NAC	High Confidence	Outstanding/Low	\$970,030,606
UPS	Satisfactory Confidence	Excellent/Low	\$784,498,127
World Airways	Little Confidence	Excellent/Low	\$553,586,993

Agency Report (AR), Tab 45, at 1-2. The Source Selection Authority (SSA) determined that the proposals submitted by ATI, Evergreen Airlines, FedEx, NAC, and UPS represented the best value to the government, and contracts were awarded to those firms. World Airways requested and received a debriefing, and this protest followed.

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<sup>&</sup>lt;sup>2</sup> The solicitation explained that during contract performance, the successful contractors would have the opportunity to be considered for each task order issued with a value of over \$3,000 on a best-value basis considering past performance related factors and price. The RFP explained that the agency would "email daily spot-bid requirements to contractors each morning," and that the contractors would "have the option to review their existing capacity and respond with a daily-spot-bid rate within 75 minutes of notification." The spot-bid rates were required "to be an all-inclusive cost," and "must be 'equal to' or 'lower than'" the NTE rates set forth in the respective contractor's proposal. RFP, exh. 1, Ordering Procedure, at 1. Offerors were also advised that during contract performance the successful contractors would be provided with an opportunity to provide air cargo services for the city-pairs not designated as mandatory only if their proposals had included NTE pricing for those non-mandatory city-pairs. RFP at 42.

<sup>&</sup>lt;sup>3</sup> The solicitation stated that proposals would be assigned ratings under the past performance factor of high confidence, significant confidence, little confidence, or neutral/unknown confidence. The RFP stated that technical proposals would be evaluated as outstanding, excellent, acceptable, marginal, or unacceptable, and as posing low, moderate, high, or unacceptable risk with regard to acceptable contract performance. RFP at 40-42.

World Airways argues that the agency's evaluation of its and the awardees' proposals under the RFP's past performance factor was inconsistent with the terms of the solicitation and unreasonable. The protester argues that its "little confidence" past performance rating was caused by the agency placing undue emphasis on World Airways' principal subcontractor's performance on the last 15 months of the CENTCOM Theater Express Tender Program and the agency's failure to adequately consider other aspects of World Airways' and its subcontractor's performance.

The RFP stated that the "purpose of the past performance evaluation is to allow the Government to assess the offeror's [and principal subcontractor's] ability to perform the effort described in the RFP, based on the offeror's demonstrated present and past performance." RFP at 39. Offerors were instructed that their proposals were to include "a listing of not more than five contracts and/or customers, public or private," for which the offeror and/or its proposed subcontractor "has performed air cargo services . . . within the past three years, similar in scope and complexity" to the services described in the RFP. RFP at 37-38. The solicitation further stated that the agency would "first evaluate the recency (within the last 3 years) and then the relevancy" of the past performance, and that the relevancy of the past performance would "be considered in the overall confidence assessment rating for the offeror." RFP at 39. The solicitation also stated that "the Government reserves the right to give greater consideration to information on those contracts deemed most relevant to the efforts described in this RFP." RFP at 40.

The evaluation of past performance, including the agency's determination of relevance and scope of an offeror's performance history to be considered, is a matter of agency discretion, which we will not find improper unless unreasonable or inconsistent with the solicitation's evaluation criteria. National Beef Packing Co., B-296534, Sept. 1, 2005, 2005 CPD ¶ 168 at 4.

World Airways' proposal provided information regarding the past performance of itself or its principal subcontractor on five different efforts, including the CENTCOM Theater Express Tender Program. The agency received questionnaires from references regarding these efforts, and also accessed information available regarding World Airways' past performance from the Past Performance Information Retrieval System (PPIRS).

The agency found that while World Airways' or its subcontractor's performance on efforts determined to be "relevant" or "somewhat relevant" ranged from "very good" to "satisfactory," the protester's principal subcontractor's efforts on the CENTCOM Theater Express Tender Program, which was determined to be "highly relevant" because it is "essentially the same magnitude of effort and complexities as this solicitation requires," was "marginal due to performance issues." AR, Tab 36, Initial Consensus Past Performance Evaluation--World Airways, at 1. In this regard, the agency noted that "World Airway's principal subcontractor's . . . on-time performance rate for [the CENTCOM Theater Express Tender Program] was

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[DELETED]%," and that the principal subcontractor's "most recent" on-time performance rate for the CENTCOM Theater Express Tender Program had "decreased to [DELETED]%." <u>Id.</u> The agency concluded that although World Airways "had performed well on the less than highly relevant efforts, their marginal performance on the highly relevant [CENTCOM Theater Express Tender Program] effort raises substantial doubt that the contractor will successfully perform the required effort, especially at the required 85% on-time performance standard" set forth in the RFP. <u>Id.</u>; <u>see</u> RFP PWS, at 9. Consistent with this conclusion, the agency assigned a rating of "little confidence" to World Airways' proposal under the past performance evaluation factor.

The agency's concerns regarding World Airways' past performance were raised with the protester during discussions through the issuance of an evaluation notice (EN) setting forth, among other things, the agency's calculations of the on-time performance rates for World Airways' significant subcontractor on the CENTCOM Theater Express Tender Program, and the agency's rating of World Airways under the past performance factor of "little confidence." AR, Tab 37A, World Airways EN, at 43. The protester submitted a lengthy response to the agency, explaining that its principal subcontractor's overall on-time performance rate was adversely impacted by its performance on inter-Afghanistan routes. AR, Tab 37A, World Airways Response, at 44-49. World Airways described the factors to which it attributed its principal subcontractor's on-time performance rate and provided some detail as to how it intended to "improve delivery performance on the inter-Afghanistan regions." Id. at 48-51.

The agency reviewed World Airways' EN response, made a minor adjustment to World Airways' "most recent" on-time performance rate, and again evaluated World Airways' proposal under the past performance factor as "little confidence." Contracting Officer's Statement at 20; see AR, Tab 42, Proposal Analysis Report, at 26. The agency, while again recognizing World Airways' or its subcontractors' "very good" to "satisfactory" performance on "the less than highly relevant efforts," again pointed to the "highly relevant" CENTCOM Theater Express Tender Program and characterized the subcontractor's performance as "marginal . . . based on their 15-month (Oct. 08-Dec. 09) on-time performance of [DELETED]%, with emphasis on the most current 3-month (Oct. 09-Dec. 09) on-time performance of [DELETED]%[,] as verification of their inability to adapt/sustain performance in the CENTCOM AOR." AR, Tab 42, Proposal Analysis Report, at 26. The agency concluded here that "[c]onsidering the overall relevancy of the past performance references, the recency of past performance, and the marginal to very good ratings assigned, there is substantial doubt World Airways will successfully perform the required effort." Id.

The protester contends that the agency's evaluation of the offerors' past performance was inconsistent with the terms of the solicitation because the agency, while generally considering and evaluating the offerors' performance within the "last three years," expressly chose to limit its evaluation of past performance information

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regarding World Airways (and its subcontractor) and each of the awardees on the "highly relevant" predecessor CENTCOM Theater Express Tender Program, to those services provided during a 15-month period.

The agency admits, and the record shows, that it limited its consideration of the past performance information on the predecessor CENTCOM Theater Express Tender Program to those services provided during a 15-month period from October 2008 to December 2009 with special emphasis on the last 3 months of that period. The agency explains that it determined that the 15-month limitation

would provide the best assessment to determine if there were any performance trends, if carriers were able to adapt their commercial transportation networks to changing conditions within the CENTCOM AOR, and to aid in assigning the overall past performance confidence assessment rating.

Contracting Officer's Supp. Statement at 1. The agency also explains that this determination was based upon its conclusion that the available data on the CENTCOM Theater Express Tender Program "prior to October 2008 was unreliable for on-time performance comparison," given the manner in which the data was captured and entered into the agency's records. <u>Id.</u> at 1-2; <u>see</u> Contracting Officer's Statement at 24. The agency provides a detailed explanation as to why that data is unreliable, noting, for example, that prior to October 2008, when certain changes were made to the manner in which performance data was captured and entered into the agency's records, a carrier "could deliver the cargo on-time; however, if the military did not update the database the same day, which was a problem before the implementation of [certain] data interface updates, the carrier's shipment could be counted as late." Contracting Officer's Statement at 24.

Contrary to the protester's arguments, the agency's decision to limit its evaluation of past performance under the CENTCOM Theater Express Tender Program to the last 15 months was not inconsistent with the RFP. Although the RFP provided that the agency would "evaluate the recency" of the offeror's past performance, and defined "recency" as having been performed "within the last 3 years," the solicitation cannot reasonably be read as requiring consideration of every aspect of the offeror's past performance as detailed in their proposal or available to the agency that occurred within the last 3 years. Instead, we think the language of the solicitation clearly provides that the "recency" aspect of the past performance evaluation was to ensure that the past performance considered had occurred no more than 3 years ago.

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 $<sup>^4</sup>$  To be reasonable, the interpretation of solicitation language must be consistent with the solicitation when read as a whole and in a manner that gives effect to all of its provisions. BellSouth Telecomm., Inc., B-258321, Jan. 6, 1995, 95-1 CPD ¶ 10 at 6.

Moreover, we find the agency had a reasonable basis for limiting its evaluation of the past performance under the CENTCOM Theater Express Tender Program to the last 15 months. While an agency is required to evaluate offerors' past performance reasonably and on the same basis, an agency has considerable discretion in determining, for example, what past performance information it will consider. See Advanced Envt'l Solutions, Inc., B-401654, Oct. 27, 2009, 2010 CPD ¶ 7 at 5; Done Right Bldg. Servs., Inc., B-310568, Dec. 17, 2007, 2008 CPD ¶ 30 at 4. Here, the agency explains that the performance data regarding the CENTCOM Theater Express Tender Program prior to October 2008 was "unreliable," and as such, could not fairly be used to assess any offeror's performance under that program. Additionally, we note that there was nothing in the RFP that precluded the agency from examining the available past performance information for trends in performance; that the FAR expressly requires that in evaluating past performance information "general trends in contractor's performance shall be considered;" and that the 15-month limitation, with emphasis on the last 3 months, was used by the agency "to determine if there were performance trends." FAR § 15.305(a)(2)(i); Contracting Officer's Supp. Statement at 1.

In sum, the agency's determination to focus on the offerors' performance under the CENTCOM Theater Express Tender Program during the 15-month period referenced above, with emphasis on the last 3 months of that 15-month period, was reasonably based and consistent with the terms of the solicitation and the FAR.

We also find reasonable the agency's rating of World Airways' past performance as "little confidence." As indicated, this rating was primarily based upon World Airways' subcontractor's on-time performance under the CENTCOM Theater Express Tender Program. The agency reasonably found that the past performance questionnaire pertaining to World Airways' principal subcontractor's performance on the CENTCOM Theater Express Tender Program, as well as the on-time performance data available to the agency, raised "substantial doubt" regarding World Airways' successful performance of the effort at the required 85 percent on-time performance standard. In this regard, not only did World Airways' principal subcontractor receive a "marginal" rating for its compliance with transit times and schedules from the questionnaire respondent for the CENTCOM Theater Express Tender Program, the more detailed on-time performance data discussed above demonstrated, among other things, a downward trend in the performance of World Airways' principal subcontractor, as evidenced by a comparison of the on-time performance data for

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the first 12 months ([DELETED] percent on-time) and last 3 months ([DELETED] percent) of the 15-month period analyzed.<sup>5</sup>

The protester nevertheless argues that the agency failed to properly consider the positive ratings or comments provided by its references for other contracts, which ranged from "satisfactory confidence" to "very good confidence," as well as the positive comments regarding the protester's subcontractor's performance on the CENTCOM Theater Express Tender Program. For example, the protester notes that the past performance questionnaire for World Airway's principal subcontractor on the CENTCOM Theater Express Tender Program includes one "exceptional" rating, eight "very good" ratings, three "satisfactory" ratings, one "marginal" rating, and a "satisfactory" rating overall. See AR, Tab 30, Past Performance Information-World Airways, at 16-17. The protester argues that because most of the ratings it received here were at a level higher than "satisfactory," its principal subcontractor's performance on the CENTCOM Theater Express Tender Program should have been rated by the agency as "very good" rather than "marginal." World Airways contends that the agency gave undue weight to one aspect of its subcontractor's past performance, and insufficient weight to World Airway's other positive past performance, in assigning World Airways a past performance rating of "little confidence."

<sup>5</sup> The record reflects that the on-time performance record of the awardees was slightly to significantly better than that of World Airway's significant subcontractor from October 2008 to December 2009, with each of the awardees' on-time performance record trending upwards in the final October 2009 to December 2009 period:

Offeror	10/2008-12/2009 On-time percentage	10/2009-12/2009 On-time percentage	Past Performance Rating
NAC	[DELETED]%	[DELETED]%	High Confidence
Evergreen	[DELETED]%	[DELETED]%	Significant Confidence
ATI	[DELETED]%	[DELETED]%	Significant Confidence
FedEx	[DELETED]%	[DELETED]%	Significant Confidence
UPS	[DELETED]%	[DELETED]%	Satisfactory Confidence
World Airways	[DELETED]%	[DELETED]%	Little Confidence

AR, Tab 39, Final Past Performance Evaluation, at 1-6.

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The agency responds, and the record reflects, that in evaluating past performance the agency did not look solely at the ratings the offerors (including World Airways and its principal subcontractor) received from their references on each aspect of their past performance and overall. Agency Supp. Report at 3. Rather, the record shows that the agency reasonably considered and gave appropriate weight to the completed past performance questionnaires, including any narrative information provided as well as the ratings, and other available information in determining what rating to assign each proposal under the past performance factor. Notwithstanding the generally positive references on World Airways' other past performance and other aspects of its subcontractors' past performance on the CENTCOM Theater Express Tender Program, the record shows that the agency gave much more weight to World Airway's subcontractor's negative past performance regarding on-time deliveries under the most "highly relevant" CENTCOM Theater Express Tender Program. Considered as a whole, while we understand that the protester disagrees with the agency's evaluation of World Airways' proposal under the past performance factor, the record reflects that the agency reasonably considered and gave appropriate weight to the available past performance information. Given that the RFP provided that the agency would place greater emphasis on the offerors' most relevant efforts, the agency reasonably evaluated World Airways' past performance as "little confidence" under the RFP's past performance factor. See National Beef Packing Co., supra at 5-6.

World Airways also argues that the agency unreasonably assigned a rating of "significant confidence" to FedEx under the past performance factor. Specifically, the protester points out that under the CENTCOM Theater Express Tender Program FedEx chose to not submit spot-bids for certain Iraq routes for a 6-week period. The protester argues that these FedEx actions provided that firm with an improper advantage for the purposes of competing for this contract because FedEx was, in essence, able to "cherry-pick' its on-time statistics." Protester's Comments at 7. The protester further argues in this regard that the agency should have downgraded FedEx under the past performance factor for its decision not to provide services for these routes for that period of time. Protest at 13.

The record reflects that FedEx advised the agency that it was suspending its service to Iraq, and that it suspended service because the Iraqi Civil Aviation Authority and Iraqi Airways granted another firm "the exclusive right to control cargo airlift into and out of Iraq." FedEx explained that it initially used this other firm, but that "as a result, the reliability of our service to Iraq has been substantially degraded." FedEx also stated that it had "significant concerns about the way [the Iraqi firm] conducts its business," and that "the current situation has made it impossible to deliver the service reliability at reasonable costs that our customers expect from FedEx." FedEx stated that it had made its "concerns known to the Iraqi Government" and hoped "for a quick resolution" of this situation. Contracting Officer's Statement at 30-31.

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The agency states that it was aware of this issue during the evaluation, but that under the CENTCOM Theater Express Tender Program neither FedEx nor any of other the program participants were contractually obligated to submit spot-bids or provide service. Because of this, there was no basis on which to downgrade FedEx under the past performance factor because of "FedEx's discretionary decision to cease commercial service in order to investigate its business approach to a political climate change." The agency adds that it also considered the fact that FedEx had "continued to service all other CENTCOM locations throughout the period that they were not providing service to Iraq." Contracting Officer's Statement at 31; see AR at 11-12.

Again, while the protester clearly disagrees, we find reasonable the agency's decision not to downgrade FedEx for its relatively brief cessation of services on certain routes, for which it was not contractually obligated to provide services, and for which it made the judgment that it would not be able to continue to provide such services reliably and at a reasonable price. We also disagree with the protester's argument that FedEx was somehow able to "cherry-pick" its past performance data. That is, the protester does not argue that the on-time performance percentages are inaccurate, and we fail to see why a firm should be criticized for determining that it would not compete for the provision of services that it was not obligated to provide and that it did not believe, in its business judgment, it could properly provide.

The protester also argues that the agency unreasonably assigned a rating of "high confidence" to NAC under the past performance factor. Specifically, the protester points out that in March 2008 "NAC was convicted on charges related to the filing of a falsified proof of delivery document with the Defense Logistics Agency and was sentenced to pay restitution in the amount of \$4.4 million, a fine of \$8.8 million, and civil settlements of \$28 million." Protester's Comments at 8-9; see AR, Tab 3, Administrative Agreement between NAC and the Air Force, at 1. The protester concludes that NAC should have "been rated much lower than 'High Confidence' given this serious performance issue." Protest at 14.

The contracting officer explains that both he and the source selection evaluation team were aware of NAC's conviction and settlements as well as the fact that the Air Force had proposed NAC for debarment in 2008. Contracting Officer's Statement at 35; see AR, Tab 3, Administrative Agreement between NAC and the Air Force, at 1. The contracting officer, who also served as the contracting officer for the CENTCOM Theater Express Tender Program during the period of NAC's proposed debarment, states that he "previously investigated the situation to determine the impact on the contracts and tenders under [his] authority," and was aware of the administrative agreement between the Air Force and NAC that, among other things, described the corrective actions to be taken by NAC that resulted in the Air Force's determination that debarment was not necessary. Specifically, the contracting officer points out that, as reflected in the administrative agreement, the Air Force had determined that "NAC's corrective actions provided adequate assurance that NAC's future dealings

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with the Government [would] be conducted responsibly and that debarment was not necessary to protect the Government's interests." Contracting Officer's Statement at 35; see AR, Tab 3, Administrative Agreement between NAC and the Air Force, at 1-2. The contracting officer further explains that the events resulting in NAC's conviction, settlement, and proposed debarment occurred in 2001, and thus were "well before the cut-off date for recent past performance to be considered under the Solicitation." Contracting Officer's Statement at 35. The contracting officer concludes that given the above considerations, and in view of the "other recent, highly relevant past performance data available concerning NAC's past performance," including NAC's performance on the CENTCOM Theater Express Tender Program, he had "full confidence that NAC would perform successfully." <u>Id.</u> at 35-36.

Again, despite the protester's disagreement, we cannot find the agency's evaluation here to be unreasonable. As pointed out by the agency, the record reflects that NAC has performed recent and relevant contracts at a high level, including its performance of the CENTCOM Theater Express Tender Program, which was evaluated by the agency as "exceptional" due in part to NAC's [DELETED] percent on-time performance rate over the 15-month period analyzed, which increased to [DELETED] percent over the last 3 month period. AR, Tab 39, Final Past Performance Consensus Evaluation—NAC, at 1. We also find reasonable the agency's determination that it was not appropriate to downgrade NAC under the past performance factor given the circumstances here, which include the fact that the incident that resulted in NAC's conviction, settlement, and proposed debarment occurred 9 years earlier.

In sum, we find the agency's past performance evaluation of the offerors to be reasonable.<sup>6</sup>

World Airways argues that the proposals of ATI, Evergreen Airlines, FedEx, and UPS do not "meet the minimum technical requirements" of the solicitation, because,

considered by the Agency" in its past performance evaluation. Protester's

the consideration of the "relevancy" of the offerors past performance to aid in the agency's assessment of the offerors' abilities to successfully perform the contract, it did not provide or in any way suggest that an offeror's experience on the CENTCOM Theater Express Tender Program would only be considered "highly relevant" if that offeror had provided service to each of the city-pairs set forth in this solicitation.

Comments at 9. This argument is meritless. Although the solicitation provided for

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<sup>&</sup>lt;sup>6</sup> World Airways also argues that ATI, Evergreen Airlines, FedEx, and UPS should have been downgraded under the past performance factor because none had previously provided services to all of the 75 mandatory city-pairs. The protester contends that, based upon its review of the record, the "offerors' track records in servicing all of the mandatory city-pairs are past performance data that was not

according to the protester, only it and NAC have operated and continue to operate the aircraft that World Airways asserts is required to be used at certain of the 75 mandatory city-pairs set forth in the price schedule.

In a negotiated procurement, any proposal that fails to conform to the material terms and conditions of the solicitation may not form the basis for award. <u>Alpha Marine Servs., LLC</u>, B-292511.4, B-292511.5, Mar. 22, 2004, 2004 CPD ¶ 88 at 4. The procuring agency has the primary responsibility for evaluating the technical information supplied by an offeror and determining the acceptability of the offeror's proposal; we will not disturb such a determination unless it is shown to be unreasonable. <u>Id.</u>

Based upon our review of the record, the agency reasonably found that the proposals of ATI, Evergreen Airlines, FedEx, and UPS provided the information requested by the solicitation, and agreed without exception to provide the services required in accordance with the terms of the solicitation. That is, while the solicitation required that offerors complete the city-pair price matrix, it did not request or require proposals to explain or otherwise indicate how the offerors would service each of the city-pair locations. See AR at 16. An agency may accept a proposal's representation that indicates compliance with the solicitation requirements where there is no significant countervailing evidence reasonably known to the agency evaluators that should create doubt whether an offeror will or can comply with the requirement. Alpha Marine Servs., LLC, supra. Here, notwithstanding the protester's assertions, the record does not indicate that there was any countervailing evidence reasonably known to the agency evaluators that should have created doubt that ATI, Evergreen Airlines, FedEx, and UPS would or could honor their proposals.

World Airways finally argues that the agency's source selection decision was unreasonable. Specifically, the protester contends that the agency failed to adequately consider its low price in the best-value determination, pointing out, for example, that NAC's evaluated price of \$970,030,606 "is 43% more expensive" than World Airway's evaluated price of \$553,586,993. Protest at 16. The protester also argues that the agency's source selection decision was not adequately documented.

Source selection officials in negotiated procurements have broad discretion in determining the manner and extent to which they will make use of technical and price evaluation results; price/technical trade-offs may be made, and the extent to which one may be sacrificed for the other is governed only by the tests of rationality and consistency with the evaluation criteria. Atteloir, Inc., B-290601, B-290602, Aug. 12, 2002, 2002 CPD ¶ 160 at 5. Where a price/technical tradeoff is made, the source selection decision must be documented, and the documentation must include the rationale for any tradeoffs made, including the benefits associated with additional costs. FAR § 15.308; The MIL Corp., B-297508, B-297508.2, Jan. 26, 2006, 2006 CPD ¶ 34 at 13. However, there is no need for extensive documentation of every consideration factored into a tradeoff decision, nor is there a requirement to quantify the specific cost or price value difference when selecting a higher-priced,

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higher-rated proposal for award. FAR  $\S$  15.308; <u>Advanced Fed. Servs. Corp.</u>, B-298662, Nov. 15, 2006, 2006 CPD  $\P$  174 at 5.

The source selection decision here includes a short introduction, and then sections that discuss and provide detailed reasons justifying each of the five awards. In each section, the SSA describes the evaluation results generally, and then specifically compares each awardee's proposal with each of the proposals that were not selected for award, including the proposal of World Airways. AR, Tab 44, Source Selection Decision, at 1-9. Most relevant here, in its comparative analysis of World Airways' proposal and each of the awardees' proposals, the source selection decision repeatedly refers to the agency's "substantial doubt" that World Airways will be able to successfully perform the effort as reflected by its "little confidence" rating under the past performance factor. The source selection decision further notes, in each of the five comparative analyses between an awardee's proposal and World Airways' proposal, the lower price, and in certain analyses, the "significantly" lower price, associated with World Airways' proposal, but, concludes, in each instance, that the price/cost premium associated with the awardee's proposal is worth paying, given the increased confidence in that particular awardee's ability to successfully perform the contract.

In our view, the source selection decision is adequately documented, consistent with the terms of the solicitation, and reasonably based given the broad discretion afforded source selection officials. Although World Airways' again clearly disagrees with the agency's conclusions, its disagreement with the agency does not establish that the evaluation or source selection was unreasonable. Weber Cafeteria Servs., Inc., B-290085.2, June 17, 2002, 2002 CPD ¶ 99 at 4.

The protest is denied.

Lynn H. Gibson Acting General Counsel

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