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Decision

Matter of: Readiness Management Support, L.C.

File: B-413207; B-413207.2

Date: September 7, 2016

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DIGEST

Protest challenging the agency's evaluation and the selection of higher-rated, higher-cost proposal is denied where the record shows that the agency's evaluation and selection decision were reasonable and consistent with the solicitation.

DECISION

Readiness Management Support, L.C. (RMS), of Panama City, Florida, protests the issuance of a task order to Midwest Air Traffic Control Service, Inc. (Midwest), of Overland Park, Kansas, under request for proposals (RFP) No. 1300464995-12, issued by the Department of the Navy, Space and Naval Warfare Systems Center Atlantic (SPAWAR), for services supporting the United States Air Force's Central Command air traffic control operations. RMS, the incumbent contractor, primarily challenges the agency's technical capability evaluation and cost evaluation.

We deny the protest.

BACKGROUND

The RFP, issued on January 20, 2015, pursuant to Federal Acquisition Regulation (FAR) subpart 16.5, sought to award a task order under the Navy's Aviation Command and Control Operations and Maintenance Support Services multiple award contract (MAC) for air traffic management and electronic equipment

maintenance services to support air traffic control (ATC), airfield management, air to ground communications, surveillance and precision radar systems, voice communication systems, and aviation weather systems operations and maintenance within Afghanistan. RFP, amend. 11, at 3-27. The RFP contemplated the award of a single cost-plus-fixed-fee task order for a 1-year base period and two 1-year options. Id. at 3. The RFP, as amended, provided that award would be made on a best-value basis considering two evaluation factors: technical capability and cost.¹ Id. at 49. The technical capability factor was significantly more important than cost. Id.

Under the technical capability factor, firms were instructed to provide information pertaining to at least one, but no more than five, of the firm's most current and relevant contracts and/or task orders.² Id. at 44. The RFP stated that the more similar and relevant the demonstrated experience is to the work being procured, the more valuable the experience was to the agency. Id. at 51. The RFP provided that the factor would be evaluated based on a firm's experience in three areas: ATC operations support (subfactor 1); airfield management support (subfactor 2); and aviation systems and equipment support (subfactor 3). Id. at 50. The agency's assessment would consider the depth of experience, the breadth and variation of experience, and the complexity of the same or similar experience. Id. For subfactors 1 and 2, the RFP provided that "experience providing direct support for [U.S. Air Force Central Command] in the Afghanistan region is considered important to the government – management of personnel performing [the] task is considered indirect support." Id. For subfactor 3, the RFP provided that "experience providing direct technical support to [Air Traffic Control and Landing Systems] suite of equipment is significantly important to the government – management of personnel performing [the] task is considered indirect support." Id. The RFP advised that the agency's evaluation would be based on the information provided by the firm and submitted with its proposal, but that the government reserved the right to consider information other than that provided by the offeror. Id. at 51.

With regard to an offeror's cost factor, the solicitation required offerors to submit a proposal in accordance with the government provided pricing model, which included government estimates for labor hours, labor categories, labor mix, and other direct costs for this procurement; deviations were not permitted. RFP, amend. 11, at 46.

¹ The solicitation was amended eleven times. Agency Report (AR) at 3-4. Amendment six removed the management approach evaluation factor, among other things. Id. at 4; AR, Tab 9, RFP amend. 6.

² The RFP defined relevance as performance on previous contracts for work that was similar in scope and magnitude to the work being procured. Id. at 44. The RFP defined current as contracts/tasks orders that were performed within the last 3 years. Id. at 44.

Firms were to provide labor rates and total costs for the labor categories identified for each period of performance for the task order. Id. at 52-53.

The RFP provided that cost proposals would be evaluated for reasonableness and cost realism. The RFP stated that cost realism

pertains to the offeror's ability to project costs which are reasonable. The purpose of the evaluation shall be: (1) to assess the degree to which the cost/price reflects the requirements of the PWS [Performance Work Statement] and/or the risk that the offeror will provide the supplies or services for the offered prices/cost; and (2) to assess the degree to which the costs included in the cost/price proposal accurately represent the work efforts included in the proposal, and/or other cost-related information to the Contracting Officer.

Id. at 52.

The agency received proposals from RMS and Midwest by the RFP's January 22, 2016 closing date. A Navy selection evaluation board (SEB) conducted a technical evaluation of proposals, and rated the proposals as follows:

		RMS	Midwest
Technical Capability	ATC Operations Support	Acceptable	Outstanding
	Airfield Management Support	Acceptable	Outstanding
	Aviation Systems and Equip. Support	Good	Good
Overall Technical Rating		Acceptable	Outstanding
Total Evaluated Cost		\$69,587,018	\$71,601,537

AR, Tab 18, Evaluation Summary Report, at 6, 10; AR, Tab 19, Business Clearance Memorandum, at 16.³

³ The agency assigned adjectival ratings of outstanding, good, acceptable, marginal, and unacceptable. AR, Tab 18, Evaluation Summary Report, at 4. As (continued...)

The SEB's ratings were supported by a narrative, which detailed the evaluators' findings for each technical capability subfactor. With regard to RMS, the SEB noted that the firm had submitted a total of three contract references, all of which were found to be current and relevant.⁴ AR, Tab 18, Evaluation Summary Report, at 10. Under each of the three evaluation subfactors, the agency found that RMS had very relevant experience that was "identical in nature, scope, and difficulty" to the tasks required by the PWS. Id. at 11. The agency found that RMS had gained this experience by providing "indirect" ATC operations support (subfactor 1), "indirect" airfield management operations support (subfactor 2), and "indirect" aviation systems and equipment support (subfactor 3) on two of the contract references it had provided. Id. For subfactors 1 and 2, the agency found that RMS' proposal met the requirements for the subfactor, contained no strengths, weaknesses, significant weaknesses, or deficiencies, and indicated an "adequate technical capability." Id. For subfactor 3, the agency found that RMS' proposal slightly exceeded the requirements as it contained one strength, no weaknesses, no significant weaknesses, and no deficiencies.⁵ Id. at 12.

With regard to Midwest, the SEB noted that the firm had a total of five contract references, all of which were found to be current and relevant. Id. at 5. Under each of the three evaluation subfactors, the agency found that Midwest had very relevant experience that was "identical in nature, scope, and difficulty" to the tasks required

(...continued)

relevant to this protest, an outstanding rating indicated a proposal that had an exceptional approach and understanding of the requirements, with strengths that far outweigh any weaknesses, and a very low risk of unsuccessful performance. Id. A good rating indicated a proposal that had a thorough approach and understanding of the requirements, with strengths that outweigh any weaknesses, and a low risk of unsuccessful performance. Id. An acceptable rating indicated a proposal that had an adequate approach and understanding, with strengths and weaknesses that are offsetting or will have little or no impact on performance, and a moderate risk of unsuccessful performance. Id.

⁴ The three contracts consisted of (1) a contract with SPAWAR (No. N65236-09-C-6872), for air traffic control and related services at Bagram Air Base, Afghanistan (and others); (2) a contract with North Atlantic Treaty Organization (NATO) (No. 46000001918) for air traffic management at Kandahar Airfield, Afghanistan; and (3) a task order (No. 4C22) with the Air Force under contract No. FA3002-06-D-0006 for air traffic control at Forward Operating Base Jalalabad (and others). AR, Tab 16, RMS Technical Proposal, at 3.

⁵ RMS received a strength for providing monthly availability rates of 99 percent for mission critical systems on each of its three contract references, exceeding the target operational rate of 98 percent. Id. at 12.

by the PWS. Id. at 6-9. The agency found that Midwest had gained this experience by providing “direct” ATC operations support (subfactor 1), “direct” airfield management operations support (subfactor 2), and “direct” aviation systems and equipment support (subfactor 3) on two of the contract references it had provided. Id. at 7-9. For subfactors 1 and 2, the agency found that Midwest’s proposal exceeded the requirements for the subfactors with three strengths under each subfactor, and no weaknesses, significant weaknesses, or deficiencies. The agency concluded that the noted strengths and direct experience under subfactors 1 and 2 indicated “an exceptional technical capability.” Id. at 7, 8. For subfactor 3, the agency found that Midwest’s proposal exceeded the requirements with two strengths, no weaknesses, significant weaknesses, or deficiencies. Id. at 9.

The contracting officer, who was also the source selection authority (SSA), conducted a comparative assessment of the proposals. AR, Tab 19, Business Clearance Memorandum, at 1-29. The SSA concurred with the SEB’s findings, incorporated them into her decision, and conducted a best-value tradeoff analysis. With regard to RMS’ lower-rated and lower-cost proposal, the SSA noted that the firm offered lower costs, but that there were “marked technical differences “between the two proposals, with Midwest’s proposal providing numerous benefits that are of value to the Government.” Id. at 27. The SSA ultimately concluded that the advantages associated with Midwest’s proposal warranted the higher cost.

The agency made award to Midwest, and this protest followed.⁶

DISCUSSION

The protester challenges the agency’s evaluation under the technical capability evaluation factor and cost evaluation factor. With regard to the technical capability factor, the protester asserts that the agency failed to consider its direct experience under its contract references, failed to identify strengths associated with its contract references, and improperly assigned strengths to Midwest’s contract references. With regard to the cost factor, the protester asserts that the agency failed to conduct a cost realism analysis. While we do not specifically discuss each of the protester’s various arguments, we have considered all of the protester’s contentions and find none furnishes a basis to sustain the protest.

Technical Capability

⁶ The awarded value of the task order at issue exceeds \$10 million. Accordingly, this procurement is within our jurisdiction to hear protests related to the issuance of orders under multiple-award indefinite-delivery, indefinite-quantity (ID/IQ) contracts. 10 U.S.C. § 2304c(e)(1)(B).

The protester alleges the agency's technical capability evaluation was flawed because the agency's evaluation failed to consider RMS' direct experience under its contract references. Specifically, the protester maintains that RMS "performed 100 percent of the work itself" on its contract at Jalalabad (contract No. FA3002-06-D-0006), and yet the agency's evaluation contains no acknowledgement of this direct experience, and is in fact "utterly silent about the Jalalabad contract."⁷ Protest at 14; Protester's Comments at 4.

The evaluation of proposals in a task order competition, including the determination of the relative merits of proposals, is primarily a matter within the contracting agency's discretion, since the agency is responsible for defining its needs and the best method of accommodating them. Wyle Labs., Inc., B-407784, Feb. 19, 2013, 2013 CPD ¶ 63 at 6; Optimal Solutions & Techs., B-407467, B-407467.2, Jan. 4, 2013, 2013 CPD ¶ 20 at 6. In reviewing protests challenging an agency's evaluation of proposals, GAO does not reevaluate proposals, but rather examines the record to determine whether the agency's judgment was reasonable and in accord with the stated evaluation criteria and applicable procurement laws and regulations. Pioneering Evolution, LLC, B-412016, B-412016.2, Dec. 8, 2015, 2015 CPD ¶ 385 at 7. A protester's disagreement with an agency's judgment, by itself, is insufficient to establish that the agency acted unreasonably. STG, Inc., B-405101.3 et al., Jan. 12, 2012, 2012 CPD ¶ 48 at 7.

Here, the agency explains that, contrary to the protester's contentions, the evaluators were aware of, and took into consideration, RMS' direct experience performing the Jalalabad contract. Supp. AR, Tab 2, Declaration of SSA, at 1. In support of this, the agency points to the SEB report, which specifically states that all three of RMS' contracts were considered. AR, Tab 18, Evaluation Summary Report, at 10. The agency explains that its report did not specifically cite to the Jalalabad contract because the report only highlighted experience that was most

⁷ The protester also asserts that, beginning on January 1, 2016, RMS performed the technical support functions itself on its contract at Kandahar airfield, and yet the agency's evaluation unreasonably failed to consider this direct experience. The record demonstrates, however, that this experience was not included in RMS' proposal. In this regard, the record shows that proposals were submitted on February 24, 2015, that the agency's initial evaluation was conducted in May, 2015, and that final proposals were submitted on January 22, 2016. Legal Memorandum at 8, 14. The record also shows that RMS did not update its final proposal to include its updated experience for the Kandahar airfield. Id. at 14. The SEB reviewed the final January 22 proposals, confirmed that they were identical to the original February 22, 2015 proposals, and finalized its SEB report on February 8, 2016. Id. Under these circumstances, we find nothing improper with the agency's failure to consider RMS' one month of direct experience.

similar in nature, scope, complexity, difficulty, and magnitude to the services being procured here. AR, Tab 20, Declaration of SEB Chair, at 2. The agency viewed RMS' experience on its other two contracts as being most similar to the services being procured here, and that the Jalalabad contract did not demonstrate sufficient complexity to merit a strength or a higher adjectival rating, and consequently was not "discussed in detail" in the evaluation.⁸ AR, at 21. Given the agency's explanation that it was aware of the direct experience RMS had under its Jalalabad contract, and since the agency's evaluation does not state that RMS had only indirect experience, we find nothing unreasonable with the agency's evaluation.⁹

The protester also raises several challenges to the agency's evaluation of strengths under the technical capability evaluation factor. In this regard, the protester asserts that the agency failed to assign its proposal certain strengths, and asserts that the agency improperly assigned certain other strengths to Midfield's proposal. We have considered all of the protester's arguments and find that none provides a basis to sustain the protest. For example, RMS maintains that the agency should have assigned its proposal a strength for its handling of a B747 crash at Bagram Air Base in April, 2013. RMS asserts that, because of this experience, it has "real world experience" managing crash logistics and base operations that provide unique benefits to the government as the government can have "more confidence" that

⁸ To the extent the protester objects to GAO's consideration of this information--that is, the agency's explanation for how it considered RMS' experience on the Jalalabad contract--on the basis that the agency is engaging in a post hoc attempt to reevaluate RMS' technical capability, such objection is unavailing. We do not limit our review to contemporaneous evidence, but consider all of the information provided, including the parties' arguments and explanations. Remington Arms Co., Inc., B-297374, B-297374.2, Jan. 12, 2006, 2006 CPD ¶ 32 at 10. While we generally give little weight to reevaluations and judgments prepared in the heat of the adversarial process, Boeing Sikorsky Aircraft Support, B-277263.2, B-277263.3, Sept. 29, 1997, 97-2 CPD ¶ 91 at 15, post-protest explanations that provide a detailed rationale for contemporaneous conclusions and simply fill in previously unrecorded details, will generally be considered in our review of the rationality of selection decisions where, as here, those explanations are credible and consistent with the contemporaneous record. APlus Techs., Inc., B-408551.3, Dec. 23, 2013, 2014 CPD ¶ 12 at 10 n.11; Global Integrated Security (USA), Inc., B-408916.3 et al., Dec. 18, 2014, 2014 CPD ¶ 374 at 10-12.

⁹ While the protester challenges the agency's conclusion that the Jalalabad contract was not a complex contract reference, the SEB explains that the Jalalabad contract did not include all of the services being procured here. AR, Tab 20, Declaration of SEB Chair, at 2. Given that RMS' proposal demonstrates that the Jalalabad contract did not address certain PWS requirements, we find nothing unreasonable with the agency's evaluation. See AR, Tab 16, RMS Proposal, at 25-26.

“base operations would continue and the incident would be quickly and appropriately handled” in the event of another crash. Protest at 20. However, the agency explains that it viewed RMS’ experience in handling the B747 crash as a demonstration of RMS’ ability to perform as required under the contract. Specifically, the solicitation required the contractor to perform airfield management operations during emergency situations, including overseeing critical responses and recovery operations. RFP, amend. 11, at 3, Air Force Instruction 13-204. We find nothing unreasonable with the agency’s determination that RMS’ experience with the B747 crash did not constitute a strength for its proposal; RMS’ contentions to the contrary provide only disagreement with the agency’s evaluation.

Cost Realism

With regard to the cost factor, the protester maintains that the agency failed to conduct a cost realism analysis, as required by the solicitation. The protester argues that, had the agency conducted such an analysis, it would have determined that the awardee’s labor rates were unrealistic because the awardee’s proposal—to pay employees [DELETED] lower rates [DELETED]—constituted an unacceptable risk in attracting sufficient personnel to perform the contract.

The agency responds that it conducted a cost realism analysis and documented its findings in the agency’s business clearance memorandum. While the agency concedes that the results of its labor rate comparison are inartfully worded, the agency notes that its evaluation specifically considered whether the proposed rates were “sufficient for the contractor to obtain and maintain a qualified staff.” Supp. AR, at 15; AR, Tab 19, Business Clearance Memorandum, at 15. In this regard, the agency’s evaluation compared RMS’ labor rates to the independent government estimate, the rates proposed by the primes and subcontractors, and the basic contract rates of RMS and Midwest. Id.

When an agency evaluates a proposal for the award of a cost-reimbursement contract or task order, an offeror’s costs are not dispositive because, regardless of the costs proposed, the government is bound to pay the contractor its actual and allowable costs. FAR § 15.305(a)(1); Exelis Sys. Corp., B-407673 et al., Jan. 22, 2013, 2013 CPD ¶ 54 at 7; CGI Fed. Inc., B-403570 et al., Nov. 5, 2010, 2011 CPD ¶ 32 at 5 n.1. Consequently, an agency must perform a cost realism analysis to determine the extent to which an offeror’s proposed costs are realistic for the work to be performed. FAR § 15.404-1(d)(1); Solers Inc., B-409079, B-409079.2, Jan. 27, 2014, 2014 CPD ¶ 74 at 4. When conducting a cost realism analysis, agencies are required to consider the realism of a firm’s proposed costs in light of its unique technical approach. Metro Mach., Corp., B-402567, B-402567.2, June 3, 2010, 2010 CPD ¶ 132 at 6. However, where, as here, a solicitation provides a cost model that specifies the labor mix and level of effort for offerors’ proposals, an agency may reasonably evaluate the rates proposed for those established labor categories based on other data, such as the rates proposed by

other offerors. See CSI, Inc.; Visual Awareness Techs. and Consulting, Inc., B-407332.5, et al., Jan. 12, 2015, 2015 CPD ¶ 35 at 10-11; Energy Enter. Solutions, LLC; Digital Mgmt., Inc., B-406089 et al., Feb. 7, 2012, 2012 CPD ¶ 96 at 9-10. An agency's cost realism analysis requires the exercise of informed judgment, and we review an agency's judgment in this area only to see that the cost realism analysis was reasonably based and not arbitrary. Hanford Env'tl. Health Found., B-292858.2, B-292858.5, Apr. 7, 2004, 2004 CPD ¶ 164 at 8.

Here, because the labor mix and level of effort were fixed and no deviations were permitted, the agency compared the awardee's labor rates with the independent government estimate (IGE) and RMS' rates in order to determine whether the awardee's rates were sufficient to retain employees. Based on this comparison, the agency found the awardee's rates realistic. We find nothing objectionable with the agency's analysis of the awardee's rates. See SGT, Inc., B-294722.4, July 28, 2005, 2005 CPD ¶ 151 at 7 ("An agency's cost realism analysis need not achieve scientific certainty; rather, the methodology employed must be reasonably adequate and provide some measure of confidence that the agency's conclusions about the most probable costs under an offeror's proposal are reasonable and realistic.") Additionally, with regard to the protester's contention that the agency failed to consider the awardee's [DELETED] lower rate wage rate [DELETED], the record shows that the agency took this lower rate into consideration. AR, Tab 19, Business Clearance Memorandum, at 18. Specifically, the agency's evaluation noted that Midwest will pay the lower rate, and accepted Midwest's view that this "accurately reflect[ed] the value of [DELETED] and also ensures that each employee is focused on [DELETED]." Id. Given this, we find nothing improper with the agency's cost evaluation.

The protest is denied.

Susan A. Poling
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