



DOCUMENT FOR PUBLIC RELEASE

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

Decision

Matter of: IBM Corporation

File: B-415575

Date: January 19, 2018

David W. Burgett, Esq., Michael D. McGill, Esq., Brendan M. Lill, Esq., Nicole D. Picard, Esq., and Thomas A. Pettit, Esq., Hogan Lovells US LLP, for the protester.

Amy Laderberg O'Sullivan, Esq., James G. Peyster, Esq., Olivia L. Lynch, Esq., Monica R. Sterling, Esq., and Lauren E. Harrison, Esq., Crowell & Moring LLP, for Accenture Federal Services, Inc., the intervenor.

Kevin N. Misener, Esq., Tiffany Holloman, Esq., and Matthew Faust, Esq., Department of Homeland Security, for the agency.

Glenn G. Wolcott, Esq., and Christina Sklarew, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Agency reasonably considered the potential for organizational conflicts of interest related to the awardee's proposal.

2. Agency's evaluation of offerors' proposals under the non-cost/price evaluation factors was consistent with the terms of the solicitation, and its conclusion that the protester's proposed approach created substantial risk and merited a lower rating than the awardee's proposal was reasonable.

3. The source selection authority's best-value tradeoff decision was consistent with the terms of the solicitation, acknowledged that awardee's evaluated cost/price was substantially higher than the protester's proposed cost/price, and reasonably determined that the awardee's higher-rated, higher-priced proposal offered the best value to the government.

DECISION

IBM Corporation, of Bethesda, Maryland, protests the award of a contract by the Department of Homeland Security, U.S. Customs and Border Protection (CBP), to Accenture Federal Services, Inc., of Arlington, Virginia, pursuant to request for proposals (RFP) No. HSBP10-17-R-0031, to provide data center support services

(DCSS) and other related services. IBM protests that the agency failed to properly investigate alleged organizational conflicts of interest (OCIs); improperly evaluated offerors' technical proposals; and made an unreasonable best-value tradeoff determination.

We deny the protest.

BACKGROUND

On May 11, 2017, the agency issued RFP No. HSBP10-17-R-0031,¹ seeking proposals to provide DCSS and related services² “for all Divisions and Offices of the U.S. Customs and Border Protection (CBP) both in Washington, DC and its regional locations and data centers.”³ AR, Tab 2, PWS, at 3. The solicitation provided for award on a best-value tradeoff basis and established the following three evaluation factors, listed in descending order of importance: mission suitability (oral presentation);⁴

¹ Before issuing the solicitation, the agency sought, and obtained, industry’s involvement in this procurement by: posting multiple requests for information (RFI); conducting open forums and industry meetings; publishing draft statements of work; and meeting with individual vendors, including IBM. Contracting Officer’s Statement, Nov. 20, 2017, at 1-3.

² The solicitation requires the DCSS contractor to provide “support in all aspects of information technology [IT],” specifically adding: “a hybrid cloud must be developed and fully operational no later than September 30, 2019.” Agency Report (AR), Tab 2, RFP Performance Work Statement (PWS), at 3. In this context, the PWS identified 12 required tasks, which were: IT program management; enterprise operations center support; local area network support; storage management; database services; mainframe operations; general servers and virtualization; service design and transition support; enterprise web services; security engineering and IT security; identity credential access management; and data engineering services. *Id.* at 6-21. Each of the required tasks was a separate contract line item number (CLIN) in the solicitation. AR, Tab 2, RFP § B.2.

³ The solicitation explained that “[t]he objective of the contract is to seamlessly transition the current dispersed family of operations and support services to a single integrated contract,” noting that requirements included within this solicitation are currently being performed “at multiple data centers within the continental United States,” including the National Data Center in Springfield, Virginia, the Stennis Data Center in Mississippi, and Data Center 2 in Clarksville, Virginia. PWS at 3.

⁴ Proposals were evaluated under the mission suitability factor based on the offerors’ oral presentations, during which the agency sought to “gather an understanding of the Offeror’s proposed solution and its capabilities as it relates to the Government’s requirements for DCSS, including migration to the cloud and the Offeror’s Corporate experience.” RFP Sections L&M at 5. The solicitation provided that offerors making

(continued...)

technical/management approach;⁵ and cost/price.⁶ With regard to evaluation under the mission suitability and technical/management factors, the solicitation stated that the agency “will consider the Offeror’s approach and the risks associated with the approaches proposed,” and make “confidence assessments” regarding the offeror’s understanding of the requirements and the likelihood of successful contract performance, assigning ratings under each factor of: high confidence, some confidence, or no confidence.⁷ RFP Sections L&M at 16. The solicitation did not contemplate, or provide for, factor ratings other than the confidence assessments.

The solicitation established a two-step process under which the agency would first evaluate each offeror’s oral presentation regarding mission suitability and, thereafter, would either: invite the offeror to participate in step two by submitting technical/management and cost/price proposals; or advise the offeror that “it is unlikely to be a viable competitor.”⁸ Id. at 15.

Between June 6 and June 14, 2017, IBM, Accenture, and nine other offerors made oral presentations to the agency, and were evaluated under the mission suitability evaluation factor. Although IBM’s proposal received a high confidence rating under the mission

(...continued)

oral presentations would receive a set of “advance questions” prior to the day of their presentation, and a “second set” of “on-the-spot” questions an hour before beginning their oral presentation. RFP Sections L&M at 6.

⁵ With regard to evaluation under the technical/management factor, the solicitation provided that the agency would consider, in the context of performing the required PWS tasks, an offeror’s proposed: process improvements, process automation; areas of duplication that can be consolidated; transition plan; and staffing plan. Id. at 8-9.

⁶ The solicitation stated: “[t]he Government will award a Hybrid Contract comprised of the following contract types: Cost-Plus-Award-Fee (CPAF), Labor-Hour (LH), and Cost Reimbursement (CR).” RFP § B.2. Each of the CLINs for the 12 required PWS tasks was identified as a “CPAF” CLIN. Id. With regard to evaluation of cost/price, the solicitation provided that the agency would “perform[] price analysis on the entire proposal, cost realism analysis on cost type CLINs, and price realism may be performed on the labor hour CLINs to include whether the hours and mix of labor are realistic to perform the proposed technical approach.” RFP Sections L&M, at 16.

⁷ The solicitation defined each of the ratings as reflecting the agency’s relative degree of confidence that the offeror “understands the requirement, proposes a sound approach, and will be successful in performing the contract.” Id.

⁸ Notwithstanding the advice provided by the agency as part of the step one evaluation, all offerors were permitted to continue to participate in step two of the procurement. Id. at 15.

suitability factor,⁹ the agency also noted that IBM failed to adequately address various performance activities contemplated by the solicitation, including: “storage management,” “mainframe operations,” and “messaging in cloud offering.”¹⁰ AR, Tab 8, Technical/Management Consensus Evaluation, at 2-3. Thereafter, IBM, Accenture, and five other offerors elected to participate in step two of the procurement.¹¹

On August 28, the step-two offerors submitted their technical/management and cost/price proposals, which were thereafter evaluated. The agency did not seek clarifications from, or conduct discussions with, any offeror.

In evaluating IBM’s proposal under the technical/management evaluation factor, the agency expressed concerns regarding IBM’s proposed staffing. In summarizing its evaluation, the agency stated:

[IBM’s] proposal contained instances of limited details, unbalanced Labor Categories (LCATS) and associated skill levels, which conveys a limited understanding of the requirement and presents risk that the inappropriate skillsets will be employed for performing the contract. As a result, there is a reduced likelihood of successful contract performance.^[12]

AR, Tab 8, Technical/Management Consensus Evaluation, at 3.

In performing a crosswalk between IBM’s cost/price proposal and its technical/management proposal, the agency’s assessment of the realism of IBM’s proposal similarly stated:

[The] TET [technical evaluation team] found that IBM’s proposed labor skill mix, respective labor hours, and corresponding FTE’s by labor category presents a risk in several tasks of the PWS to successfully perform all requirements of the contract. In these instances, the proposal lacked sufficient detail for the Government to determine if the level of hours are adequate to perform the Offeror’s proposed technical solution.

⁹ The agency identified multiple strengths in IBM’s presentation.

¹⁰ The solicitation provided that offerors were required to “conduct a presentation on all tasks.” RFP Sections L&M at 6.

¹¹ All seven step-two offerors received high confidence ratings under the mission suitability evaluation factor. Agency Memorandum of Law, Nov. 20, 2017, at 4.

¹² The agency also expressed concerns regarding the scope of IBM’s recruitment activities and the procedures it will employ in tracking the personnel clearance process. AR, Tab 8, Technical/Management Consensus Evaluation, at 3.

In conclusion, . . . the proposed labor mix present[s] significant risk to the likelihood of successfully performing the contract.

AR, Tab 12, Technical/Management-Cost/Price Crosswalk, at 4-8.

Overall, IBM's and Accenture's proposals were evaluated as follows:

	Mission Suitability	Technical/ Management	Cost/Price	Overall Rating
Accenture	High Confidence	High Confidence	\$307,202,426	High Confidence
IBM	High Confidence	Some Confidence	\$139,331,310	Some Confidence

AR, Tab 10, Recommendation for Award, at 7.

Thereafter, the agency's source selection authority (SSA) selected Accenture's proposal for award. In his source selection decision document, the SSA compared IBM's and Accenture's proposals, stating:

IBM was rated lower in confidence level overall, and their price was \$139,331,310 or 55% lower than Accenture¹³. . . .

The TET's review of the IBM proposal, however, indicates significant risks to the Government in various areas of staffing. As mentioned in IBM's proposal, I acknowledge that they are currently an incumbent on an existing contract (70% of DCSS scope). However, . . . [a]ll 12 distinct tasks and 3 optional tasks contain brand new requirements not seen in any existing/data center contracts. Therefore, the successful awardee, regardless of whether they have an existing contract, will be required to recruit, transition, hire and onboard personnel commensurate to the new scope. Based on this, IBM's approach to recruitment is not proactive, and does not address tracking of the CBP personnel clearance process, both of which would create a risk of a timely transition-in. They do not provide details on how they plan to recruit new employees, and instead focus on [redacted]. Without an aggressive recruitment strategy, the likelihood of performing multiple requirements is at risk, while transitioning and initiating new critical functions. IBM's significant presence does not exempt them from the requirements [that] they failed to address.

¹³ The evaluated cost/prices of the other offerors ranged from approximately \$246 million to approximately \$438 million. Agency Memorandum of Law, Nov. 20, 2017, at 4.

As noted in the technical crosswalk report provided by the technical team, IBM's proposal contained insufficient details to support the proposed labor categories and/or skill levels for . . . more than half the PWS tasks.^[14] Ultimately, IBM provided insufficient details in their innovative approach to justify the low number of hours and labor mix to perform the PWS. It is important to note, that the lack of detail in their approach also prevented the cost and technical teams [from making] any adjustment to the most probable cost for performing work. However, the risk associated with the lack of detail and low hours and labor mix/skill level creates such a high risk, that no amount of potential cost savings would be acceptable in conducting this trade-off analysis.

As stated in the Request for Proposal, . . . [t]he combination of [the non-cost/price evaluation factors] is significantly more important than Cost/Price. Therefore, I have determined that Accenture's higher priced proposal merits the additional \$167.8 million over 10 years.

AR, Tab 11, Source Selection Decision Document (SSDD), at 9-10.

After being notified of the agency's source selection decision, IBM requested and received a debriefing. AR, Tab 19, Debriefing Slides. At that time, IBM was specifically told that, due to the lack of detail in IBM's proposal, the agency was unable "to make any adjustment to the most probable cost for performing work." Id. at Slide 20. This protest followed.

DISCUSSION

IBM protests that the agency failed to properly consider alleged OCIs related to Accenture's proposal; failed to properly evaluate IBM's and Accenture's proposals under the mission suitability and technical/management evaluation factors; and failed to make a reasonable best-value tradeoff determination. As discussed below, none of IBM's allegations provides a basis for sustaining its protest.¹⁵

¹⁴ The SSA specifically identified the following seven tasks that IBM's proposal failed to adequately address: enterprise operations center support; local area network support; database services; general services and virtualization; service design and transition support; security engineering and IT security; and identity credential access management. SSDD at 10.

¹⁵ In its various protest submissions, IBM has raised arguments that are in addition to, or variations of, those specifically discussed in this decision, including assertions that the agency applied unstated evaluation factors, improperly identified risks with regard to recruitment and retention of personnel, and failed to properly consider IBM's status as an incumbent. Several of these arguments essentially request that our Office substitute its judgment for that of the procuring agency--something this Office declines to do. See,
(continued...)

Evaluation of OCIs

First, IBM complains that Accenture's proposal should have been disqualified from the competition based on alleged OCIs created by work performed by Deloitte US (one of Accenture's proposed subcontractors) under two Department of Homeland Security (DHS) contracts. Specifically, IBM complains that Deloitte "is performing under DHS's Enterprise Acquisition Gateway for Leading-Edge Solutions II (EAGLE II) indefinite delivery/indefinite-quantity (ID/IQ) contract for functional category (FC) 2, Information Technology Program Support Services," stating that IBM "understands" that the scope of the EAGLE II contract overlaps with the requirements of the DCSS contract. Protest at 14. IBM also complains that Deloitte "is performing a task order (HSBP1014F00419) under another DHS contract (number HSHQDC13A00034) in support of CBP's investment management and OIT [Office of Information Technology] budget planning services." *Id.* at 15. IBM asserts that Deloitte's performance of these two contracts provided Deloitte with "access to information" that gave it "unique insight" into the DCSS requirements, and also that Deloitte "could have" influenced the DCSS requirements. *Id.* at 15-16. In short, IBM asserts that Deloitte's performance of the two DHS contracts created "unequal access to information" and "biased ground rules" OCIs,¹⁶ and asserts

(...continued)

e.g., ManTech Advanced Sys. Int'l, Inc., B-413717, Dec. 16, 2016, 2016 CPD ¶ 370 at 3. We have reviewed all of IBM's arguments and find no basis to sustain its protest.

¹⁶ The types of OCIs that can arise, as described in Federal Acquisition Regulation (FAR) subpart 9.5, can be broadly categorized into three groups: unequal access to information, biased ground rules, and impaired objectivity. See McConnell Jones Lanier & Murphy, LLP, B-409681.3, B-409681.4, Oct. 21, 2015, 2015 CPD ¶ 341 at 13. An "unequal access to information" OCI arises where, as part of its performance of a government contract, a firm has access to information that may provide the firm an unfair competitive advantage in a competition for another government contract. FAR § 9.505-4; see, e.g., Council for Logistics Research, Inc., B-410089.2, B-410089.3, Feb. 9, 2015, 2015 CPD ¶ 76 at 9. A "biased ground rules" OCI arises where a firm, as part of its performance of a government contract, has in some sense set the ground rules for the competition for another government contract by, for example, writing the statement of work or providing materials upon which a statement of work was based. FAR §§ 9.505-1, 9.505-2; see, e.g., Networking & Eng'g Techs., Inc., B-405062.4 et al., Sept. 4, 2013, 2013 CPD ¶ 219 at 10. An impaired objectivity OCI arises where a firm's ability to render impartial advice to the government would be undermined by the firm's competing interests. FAR § 9.505-3; Aetna Gov't Health Plans, Inc.; Foundation Health Fed. Servs., Inc., B-254397.15 et al., July 27, 1995, 95-2 CPD ¶ 129 at 13.

that the agency “failed to investigate and avoid or adequately mitigate” those OCIs.¹⁷ Id. at 13, 15-16.

The agency responds that, contrary to IBM’s assertions, the contracting officer performed a comprehensive review of potential OCIs, specifically considering multiple aspects of Accenture’s proposal and Deloitte’s performance of other contracts, including the two on which IBM bases its protest.¹⁸ Specifically, the agency points out that, following publication of the RFIs, before the solicitation was issued, the contracting officer responded to questions regarding OCIs that were raised by Deloitte. Contracting Officer’s Statement, Nov. 20, 2017, at ¶¶ 32-41. In this context, the contracting officer sought submissions from Deloitte regarding its prior and ongoing contracts, and discussed the matter with various agency personnel knowledgeable about Deloitte’s activities. Next, in connection with submission of Accenture’s DCSS proposal, the contracting officer required that Deloitte submit a comprehensive OCI mitigation plan that addressed Deloitte’s “engagements in the federal, commercial, non-profit and non-US domains.” Id. Deloitte submitted the required plan, which the contracting officer reviewed, discussed with various agency personnel involved with Deloitte’s performance of the other contracts, and concluded that Deloitte was not precluded from participating in the DCSS procurement. Id.

Following submission of IBM’s protest, and upon review of IBM’s particular OCI allegations, the contracting officer contacted agency personnel responsible for drafting the solicitation to determine whether Deloitte personnel had advised or been involved in that process in any way, and concluded they had not.¹⁹ Supp. Contracting Officer’s Statement, Dec. 12, 2017, at 2. Specifically, the contracting officer determined that the

¹⁷ Following receipt of the agency report responding to its protest, IBM, for the first time, asserted that Deloitte’s performance of the two DHS contracts also created an impaired objectivity OCI. This allegation was not timely raised. See 4 C.F.R. § 21.2(a)(2). Nonetheless, as discussed below, the agency properly considered the potential for all OCIs related to Accenture’s proposal, including impaired objectivity, and reasonably determined that there was no basis to exclude the proposal from the competition.

¹⁸ The contracting officer states that, in performing her OCI review: “I did not solely consider potential and actual OCIs; I also considered the mere ‘hint’ of an OCI.” AR, Tab 20, Supp. Contracting Officer’s Statement, Dec. 12, 2017, at 1.

¹⁹ IBM complains that the contracting officer conducted a portion of her OCI review after IBM filed its protest. However, an agency may provide information and analysis regarding the existence of a conflict of interest at any time during the course of a protest, and we will consider such information in determining whether the agency’s determinations are reasonable. See, e.g., McTech Corp., B-406100, B-406100.2, Feb. 8, 2012, 2012 CPD ¶ 97 at 7; Lucent Techs. World Servs. Inc., B-295462, Mar. 2, 2005, 2005 CPD ¶ 55 at 6 n.3; see also Turner Constr. Co., Inc. v. United States, 645 F.3d at 1377, 1386-87 (stating that an agency’s post-protest investigation and analysis of an OCI should be considered in the resolution of protests).

RFP had been prepared “by a small team of CBP Government employees, none of whom are connected in any way to Deloitte or [Accenture].” Id. The contracting officer’s OCI investigation also considered whether Deloitte had indirectly influenced preparation of the RFP, and concluded it had not. Id. Accordingly, the contracting officer concluded there was not a biased ground rules OCI.

Next, following receipt of the IBM protest, the contracting officer again engaged in interviews with agency personnel who administer and work with Deloitte and reviewed the tasks that Deloitte has performed to confirm her understanding regarding the type of information to which Deloitte has had access. In considering this matter, the contracting officer also considered firewalls and nondisclosure agreements that have been established. Based on her review, the contracting officer concluded that there was not an unequal access to information OCI. Id. at 3-8.

Finally, following receipt of IBM’s comments on the agency report, in which IBM first asserted the existence of an impaired objectivity OCI, the contracting officer considered that (untimely) protest allegation. In this regard, the contracting officer again interviewed agency personnel who administer the Deloitte contracts, and again reviewed the specific activities Deloitte performs under those contracts. Based on that review, she concluded that Deloitte does not have the ability to “steer” any contract award or contract funding towards DCSS. Id. at 8-9.

The FAR requires that contracting officers avoid, neutralize or mitigate potential significant OCIs so as to prevent an unfair competitive advantage or the existence of conflicting roles that might impair a contractor’s objectivity. FAR §§ 9.504(a), 9.505. The responsibility for determining whether an actual or apparent conflict of interest will arise, and to what extent the firm should be excluded from the competition, rests with the contracting agency. Aetna Gov’t Health Plans, Inc.; Foundation Health Fed. Servs., Inc., B-254397.15 et al., July 27, 1995, 95-2 CPD ¶ 129 at 12.

To demonstrate that an agency’s OCI determination is arbitrary or capricious, a protester must identify “hard facts” that indicate the existence or potential existence of a conflict; mere inference or suspicion of an actual or potential conflict is insufficient. PAI Corp. v. United States, 614 F.3d 1347, 1352 (Fed. Cir. 2010). The Court of Appeals for the Federal Circuit has noted that “the FAR recognizes that the identification of OCIs and the evaluation of mitigation proposals are fact-specific inquiries that require the exercise of considerable discretion.” Axiom Res. Mgmt., Inc. v. United States, 564 F.3d 1382 (Fed. Cir. 2009). The standard of review employed by this Office in reviewing a contracting officer’s OCI determination mirrors the standard required by Axiom. In this regard, where an agency has given meaningful consideration to whether an OCI exists, we will not substitute our judgment for the agency’s, absent clear evidence that the agency’s judgment is unreasonable. See DV United, LLC, B-411620, B-411620.2, Sept. 16, 2015, 2015 CPD ¶ 300 at 6; Enterprise Info. Servs., Inc., B-405152 et al., Sept. 2, 2011, 2011 CPD ¶ 174 at 8.

Here, we reject IBM's assertion that the agency "failed to investigate and avoid or adequately mitigate" the potential for OCIs. Based on our review of the agency's record, we conclude that the contracting officer conducted, and documented, a comprehensive review--both prior to award and upon review of IBM's protest allegations--regarding the potential for OCIs. In this regard, the contracting officer considered, as appropriate, the potential involvement of Deloitte in preparing the solicitation; the scope of Deloitte's access to information as well as mitigating/neutralizing factors such as firewalls and nondisclosure agreements; and the potential for Deloitte to influence future contract activity. The record on this matter contains comprehensive documentation with regard to the scope and substance of the contracting officer's review, and that documentation supports the contracting officer's judgments and determinations. See, e.g., AR, Tab 17, OCI Communications. Finally, IBM's protest allegations essentially constitute nothing more than IBM's speculation and disagreement with the agency's judgments and determinations; that is, IBM has failed to provide any hard evidence to demonstrate that the agency's judgments were unreasonable. Accordingly, IBM's protest based on alleged OCIs is denied.

Agency's Evaluation of Risk Under Non-Cost/Price Factors

Next, IBM challenges various aspects of the agency's evaluations and risk assessments under the mission suitability and technical/management evaluation factors. For example, IBM asserts that it was "unreasonable" for the agency to assign substantial risk to IBM's proposal with regard to its proposed staffing levels. IBM Comments, Nov. 30, 2017, at 28-31.

The agency responds by first noting that the solicitation specifically advised offerors that proposals must "clearly demonstrate how the Offeror intends to accomplish the project" and provide "sufficient detail for the Government to understand and evaluate the nature of the approach." RFP Section L&M at 3. In evaluating IBM's proposal, the agency states that it considered the staffing levels IBM proposed for each of the required tasks, and found several of them to be startlingly low. More significantly, the agency concluded that IBM's proposal failed to provide adequate and/or reasonable explanations supporting its low proposed staffing levels.

For example, with regard to task 2, the enterprise operations center (EOC), the agency states that IBM is one of the incumbent contractors currently responsible for supporting the EOC, and that it currently provides more than [redacted] personnel to support the EOC. AR, Tab 21, Technical Evaluation Team (TET) Chair Supp. Statement, Dec. 12, 2017, at 2-3. The agency further notes that the current EOC requirements are "only a subset of the requirements" in the DCSS solicitation; yet, IBM proposed only [redacted] personnel to perform this task during the first year of contract performance. Id. The agency further explains that it was concerned by IBM's purported explanation/support for its proposed staffing levels, both on the basis of its inadequacy as well as IBM's indication that it does not actually intend to perform the contract with the staffing levels it proposed. For example, IBM's proposal first complained that, the solicitation "[did not] provide any EOC metrics," and then declared, "[t]herefore, our estimate is EOC staffed

by [redacted] people monitoring alerting systems 24x7x365.” Id. IBM’s proposal for this task then concluded:

After contract award, IBM may adjust the level of effort of the EOC team as necessary to address specific requirements negotiated with CBP that were not provided in the RFP.

Id.

In short, the agency states that IBM’s proposal failed to provide an adequate explanation for the low staffing level it proposed to perform the EOC task and, indeed, appeared to reflect an approach that was based on IBM’s intent to subsequently “adjust” the proposed staffing level for this cost-reimbursement CLIN based on “negotiat[ions]” with the agency.

By way of another example, the agency refers to IBM’s proposed staffing level for task 5, database services. Again, the agency points out that [redacted] (one of IBM’s proposed subcontractors) is the current incumbent for this task under a separate contract, and that [redacted] currently provides between [redacted] staff to perform these requirements. Id. at 5-6. Again, the agency states that the current requirements under this contract reflect “only a subset” of the DCSS requirements; yet, IBM proposed only [redacted] staff members to perform this task. Id. The agency states that “the brief descriptions [contained in IBM’s proposal] do not explain how the minimal staff level proposed by IBM will be sufficient to support this task.” Id. Accordingly, the agency concluded that IBM’s lack of detail, combined with the “unreasonably low staff/cost” created a significant amount of performance risk. Id.

Finally, in responding to IBM’s protest, the agency has provided similar explanations regarding its assessment of the risk created by IBM’s proposed staffing levels for task 3, local area network support; task 7, general services/virtualization; task 8, services design/transition support (all tasks for which IBM, or one of its proposed subcontractors, is the incumbent); as well as for task 10, security engineering and IT security; and task 11, identity credential access management. Id. at 2-9.

It is an offeror’s responsibility to submit a well-written proposal, with adequately detailed information which clearly demonstrates compliance with the solicitation requirements and allows a meaningful review by the procuring agency. See International Med. Corps, B-403688, Dec. 6, 2010, 2010 CPD ¶ 292 at 8. An offeror is responsible for affirmatively demonstrating the merits of its proposal and, as here, risks the rejection of its proposal if it fails to do so. HDL Research Lab, Inc., B-294959, Dec. 21, 2004, 2005 CPD ¶ 8 at 5. In reviewing protests challenging the rejection of a proposal based on the agency’s evaluation, it is not our role to reevaluate proposals; rather, our Office examines the record to determine whether the agency’s judgment was reasonable and in accordance with the solicitation criteria and applicable procurement statutes and regulations. Wolverine Servs. LLC, B-409906.3, B-409906.5, Oct. 14, 2014, 2014 CPD ¶ 325 at 3; Orion Tech., Inc., B-405077, Aug. 12, 2011, 2011 CPD ¶ 159 at 4.

Here, we have reviewed the evaluation record and find nothing unreasonable in the agency's evaluation, which specifically included an assessment of considerable performance risk associated with IBM's proposed staffing levels. Indeed, based on our review of the record discussed above, it appears IBM expected the agency to either give it credit for proposing a mere fraction of the level of effort currently being used to perform the requirements (despite IBM's failure to reasonably and meaningfully provide sufficient detail to support those proposed staffing levels) or, alternatively, expected the agency to effectively rewrite IBM's proposal through a most probable cost adjustment. On this record, we find nothing unreasonable in the agency's determination that IBM's proposal failed to provide adequate detail and/or explanation to support its strikingly low staffing levels, and that the agency's evaluation that downgraded IBM's proposal in that regard was proper and appropriate. IBM's various complaints regarding the agency's evaluation of proposals under the non-cost/price evaluation factors are denied.

Best-Value Determination

Finally, IBM asserts that the agency's best-value determination was flawed in that it unreasonably rejected IBM's substantially lower proposed cost/price. Among other things, IBM asserts that the agency's best-value determination was "tantamount" to a determination that IBM's proposal was technically unacceptable and, because "no actual flaws" were identified in IBM's proposal, the agency was precluded from selecting Accenture's higher-priced proposal as representing the best value to the government. Protest at 23. Further, IBM asserts that the agency was obligated to adjust IBM's proposed staffing levels upward and make a best-value determination on the basis of that adjustment.²⁰ IBM Supp. Comments, Dec. 19, 2017, at 7.

The agency responds that the selection of Accenture's proposal reflected the agency's determination that Accenture's proposed approach was substantially superior to IBM's because, among other things, it did not incorporate the substantial risk reflected in IBM's proposal. Further, the agency maintains that it was unable to unilaterally adjust IBM's proposed staffing levels upward because IBM's proposed approach provided inadequate details on which such adjustments could be based. That is, because IBM's proposed approach provided an inadequate basis for the agency to determine whether IBM's proposed staffing levels were adequate, the proposal similarly provided an inadequate basis for determining that some alternative staffing level was appropriate. Finally, the agency points out that, in evaluating IBM's proposal it performed a crosswalk between IBM's technical/management and cost/price proposals and,

²⁰ As noted above, IBM was advised during its debriefing that "the lack of detail in [IBM's] approach also prevented the cost and technical teams [from making] any adjustment to the most probable cost for performing work." See AR, Tab 19, IBM Debriefing, at Slide 20. Nonetheless, IBM's initial protest did not challenge the agency's best-value determination on that basis and its assertion regarding that matter is not timely filed.

based on the specific contents of IBM's submissions, including the substantial risk associated with IBM's proposal, concluded that Accenture's higher-rated, higher-priced proposal offered a better value to the government--specifically acknowledging that IBM's proposed cost/price was "55% lower" than Accenture's. Agency Memorandum of Law, November 20, 2017, at 27-29; see AR, Tab 11, SSDD, at 4-6, 9-10.

In making best-value tradeoff determinations, source selection officials have broad discretion in determining the manner and extent to which they will make use of technical and cost evaluation results. See, e.g., Mevatec Corp., B-260419, May 26, 1995, 95-2 CPD ¶ 33 at 3. In this regard, tradeoffs between cost/price, technical merit, and risk are appropriate and the extent to which one may be sacrificed for another is governed only by the tests of rationality and consistency with the evaluation criteria. Diversified Tech. & Servs. of Virginia, Inc., B-412090.2, B-412090.3, Dec. 16, 2015, 2016 CPD ¶ 34 at 11. Accordingly, we will uphold the award to a more highly-rated, higher-priced offeror so long as the source selection decision is consistent with the solicitation's evaluation criteria and the agency's award determination is rational. International Consultants, Inc.; Int'l Trade Bridge, Inc., B-278165, B-278165.2, Jan. 5, 1998, 98-1 CPD ¶ 7 at 5-6.

Here, we find no basis to question the reasonableness or rationality of the agency's source selection decision. First, the terms of the solicitation specifically provided that proposals must "clearly demonstrate how the Offeror intends to accomplish the project" and must provide "sufficient detail for the Government to understand and evaluate the nature of the approach." RFP Section L&M at 3. As discussed above, IBM's proposal did neither. Additionally, the solicitation put offerors on notice that the only evaluation ratings that would be made under the non-cost/price evaluation factors would be confidence ratings that incorporated risk assessments and reflected the agency's degree of confidence that the offeror "understands the requirement, proposes a sound approach, and will be successful in performing the contract." Id. at 16. On the record here, the agency reasonably determined that IBM's proposal reflected substantial risk due to its limited compliance with the solicitation provisions requiring a detailed explanation of various aspects of IBM's proposed approach for performing the contract, specifically including its low proposed staffing levels. That is, our review of the record presented here provides no basis to question the agency's well-documented concerns and conclusions regarding the substantial risks incorporated into IBM's proposal.

On this record, we reject IBM's assertion that the agency's best-value determination was flawed. Specifically, the record establishes that the SSA was well aware that IBM's proposed cost/price was substantially lower than Accenture's evaluated cost/price--and that the SSA was also well aware of the substantial risks reflected throughout IBM's proposal including, but not limited to, those associated with IBM's proposed staffing levels, which drove IBM's low cost/price. Accordingly, while IBM's protest reflects

disagreement and dissatisfaction with the agency's award determination, it fails to establish that it was unreasonable.

The protest is denied.

Thomas H. Armstrong
General Counsel