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Decision

Matter of: ManTech Advanced Systems International, Inc.

File: B-421560.4

Date: August 14, 2023

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DIGEST

Protest challenging the amended terms of a solicitation, resulting from an agency's decision to take corrective action in response to earlier protests, is denied where the agency revised the price realism evaluation criteria and limited revisions to the price quotations, and the protester has not established that the amended terms of the solicitation are unreasonable or contrary to applicable procurement law and regulation.

DECISION

ManTech Advanced Systems International, Inc., of Herndon, Virginia, protests the terms of request for quotations (RFQ) No. RFQ-09232022, issued by the Department of Justice, Federal Bureau of Investigation (FBI) for digital and information technology services. The agency amended the RFQ when it took corrective action following earlier challenges from multiple protesters, including ManTech, concerning their elimination from the competition. ManTech now challenges the agency's amended price realism methodology and the agency's decision to limit the scope of quotation revisions.

We deny the protest.

BACKGROUND

On August 23, 2022, pursuant to Federal Acquisition Regulation (FAR) subpart 8.4, the agency issued the RFQ from the General Services Administration (GSA), Multiple Award Schedule (MAS) Special Identification Number (SIN) 54151S, contract for information technology professional services. According to the RFQ, the agency seeks

to acquire agile teams, each comprised of three to 11 individuals, to deliver digital and information technology services for the FBI's Criminal Justice Information Services Division (CJIS). See Agency Report (AR), Tab 6, RFQ amend. 7.¹ The RFQ explains that an agile team is a "cross-functional group of individuals who define, build, test, and deliver an increment of value," and that these teams will apply a "Scaled Agile Framework" (SAFe), which is "an enterprise agility framework that helps organizations apply lean and agile principles and practices at all levels of the organization." *Id.* at 4-5.

The RFQ seeks to establish five time-and-materials and fixed-price task orders--collectively called "FBI Agility with SAFe Teams" (FAST)--one for each of five service areas for the FBI's CJIS. Each task order is identified by a separate contract line item number (CLIN), as follows: CLIN 1, law enforcement support services; CLIN 2, biometric services; CLIN 3, National Crime Information Center; CLIN 4, shared services; and CLIN 5, operational programs.² *Id.* at 5. The period of performance for each task order includes a base period of one year, including a 3-month transition period and 9-month base period, and four 12-month option periods. *Id.* at 16.

The RFQ provides for award on a best-value tradeoff basis, applying a three-phase advisory down-selection evaluation approach in which vendors were instructed to submit certain volumes of their quotations and the agency would evaluate them under certain evaluation factors, as follows: phase one (facility clearance; corporate experience; staffing approach); phase two (SAFe agile methodology demonstration); and phase three (price).³ The RFQ advises that phase one is more important than phase two; that phase two is more important than phase three; and that, as the non-price ratings become more similar in nature, the price evaluated in phase three would become more important in the best-value tradeoff decision. *Id.* at 59. The RFQ warns that "[t]here SHALL NOT be amended or altered volumes after the evaluation is completed for each phase." *Id.* at 53.

The RFQ explains that, at the conclusion of phases one and two, the agency would provide vendors with an advisory notice that would advise them whether to proceed to the next phase. The RFQ notes that the purpose of the advisory notice was to minimize

¹ The agency has amended the RFP seven times. All citations are to the Adobe PDF page numbers of the documents referenced in this decision, unless otherwise paginated.

² Two of the CLINs are set aside for small businesses, while the other three CLINs are unrestricted. *Id.* at 10-12. Subject to the set-aside conditions, vendors could submit quotations for more than one CLIN. *Id.* at 53.

³ With the exception of the facility clearance factor, which would be rated on a pass/fail basis, each non-price factor would be evaluated and assigned a confidence rating of high confidence, some confidence, and low confidence. *Id.* at 64-65. Also, in phase three, vendors were instructed to address organizational conflicts of interest, if applicable, a key personnel management list, and acquisition risk questions. *Id.* at 49.

quotation development costs, and vendors could choose to proceed to the next phase regardless of the advice received in the advisory notice. *Id.* at 59-61.

The staffing approach factor in phase one and the price factor in phase three are relevant here. For the staffing approach factor, the RFQ instructed vendors to submit a staffing template and describe, among other things: methodologies and capabilities to recruit and retain employees; staffing risks and mitigation strategy; analysis of GSA MAS labor category mapping; solution for fully staffed teams; key personnel; and compensation approach, with the caveat to not include any pricing information. AR, Tab 4, RFQ amend. 4 at 56-57, 64.

For the price factor, the RFQ as of amendment 4 included a compensation template and a price template that vendors were instructed to complete and submit, along with a narrative, as the price volume after the completion of phase two. *Id.* at 64-65; *see also, generally*, AR, Tab 4a, RFQ amend. 4, CJIS FAST Compensation Template; AR, Tab 4b, RFQ amend. 4, CJIS FAST Price Template. The RFQ provided that the agency would: “evaluate the quoter’s labor rates per team and per CLIN for the base year and all option years”; evaluate each price quotation “to ensure it is complete, reasonable, and realistic”; and “evaluate salaries, and fringe benefits proposed for the employees who will work under the task order for the Government to assess its realism.” RFQ amend. 4 at 64-65.

On or before the September 26 due date for the receipt of quotations, ManTech submitted its quotation for phase one, specifically for CLINs 2 and 4, which included its proposed staffing approach. The agency found that ManTech was “[REDACTED]” for those CLINs, and ManTech proceeded to submit quotations for phase two and, subsequently, phase three. AR, Tab 9, Advisory Down Select Letter for ManTech for CLIN 2, Oct. 26, 2022; AR, Tab 10, Advisory Down Select Letter for ManTech for CLIN 4, Oct. 26, 2022; Protest at 6.

On or before December 5, ManTech submitted its quotation for phase three, which included price. After an initial evaluation of quotations, followed by discussions⁴ and submission of revised quotations, the FBI notified ManTech on March 17, 2023, that its revised price quotation had been evaluated as [REDACTED] and therefore was eliminated from the competition. Protest at 9. On March 24, ManTech filed its first protest with our Office, primarily challenging the agency’s price realism evaluation. Specifically, ManTech asserted that, under the terms of the RFQ, “only the base rate and fringe benefit compensation would be considered during the realism evaluation,” and complained that, in finding ManTech’s quotation [REDACTED], the agency had “improperly” considered the fully-burdened labor rates in ManTech’s quotation. Prior

⁴ The agency, as part of the discussions, issued a series of evaluation notices that, according to the protester, advised that ManTech’s “base rate compensation” and “quoted rates” for various labor categories (LCATs) had been found [REDACTED]. Protest at 6-9.

Protest Pleading, B-421560, Mar. 24, 2023, at 2, 6. In response, the agency decided to take corrective action, stating as follows:

The FBI's corrective action will be to issue a solicitation amendment clarifying the information that FBI is seeking from vendors in order to conduct its price realism analysis. The FBI will then permit the vendors to submit revised pricing quotations before conducting a revised realism analysis. The FBI reserves the right to take any other corrective action it deems appropriate.

ManTech Adv. Sys. Int'l, Inc., B-421560, Apr. 24, 2023 at 1 (unpublished decision) (internal citation omitted). Based on the agency's proposed corrective action, we dismissed the protest as academic.

On May 4, the agency notified the competing vendors, including ManTech, that, "[a]s a result of the corrective action, the government is conducting Phase III-Price again." Protest, exh. 16, RFQ amend. 5 Cover Email. The agency then issued three amendments that included a revised price evaluation factor and, specifically, new and more detailed language explaining how the agency would conduct the price realism evaluation. Specifically, amendment 7 provides several paragraphs detailing the amended price realism methodology, stating as follows: "The Government will conduct three separate evaluations to determine whether the quoter's low price reflects a lack of understanding of contract requirements or risk inherent in the quoter's phase one's technical solution (Staffing Template). If one or more of the evaluations are deemed unrealistic, the quoter's Price Volume will be deemed unrealistic and the quoter will be eliminated from the competition." RFQ amend. 7 at 62.

The amended RFQ provides that these three price realism evaluations will include the following: First, the agency will evaluate the vendor's FAST task order LCAT catalog and all LCAT quoted rates for the base year and option years, which is defined as "a complete listing of all LCATs that are being quoted at time of award and LCATs that could be surged at any time through a bilateral modification."⁵ *Id.* at 63.

Second, the agency will evaluate the vendor's price template per CLIN for the base year and all option years, which is defined as a complete listing of all LCATs and the teams based on the "phase one technical solution (Staffing Template) quoted and evaluated in phase one." *Id.* The RFQ provides that the government will evaluate, among other things, "how many times an unrealistic LCAT is used compared to the total number of

⁵ The contracting officer explains that "surge" is "unplanned or unknown LCAT staffing requirements for future potential work not yet able to be fully defined at time of award." Contracting Officer's Statement (COS) at 8 n.9. In this regard, the RFQ states that the agency "reserves the right to add capacity to the included labor categories (LCATs) and/or remove labor categories as necessary throughout performance" of the task order, and that "[p]ricing in Phase Three shall be submitted for all LCATs, regardless of use in staffing the CLINs." *Id.* at 12; see *also* RFQ amend. 4 at 13.

full-time equivalents (FTEs) in the quoter's phase one technical solution (Staffing Template)." *Id.*

Third, the agency will evaluate the vendor's price template with respect to "the number of teams containing unrealistic LCATs compared to the total team count in the quoter's phase one technical solution (Staffing Template)." *Id.*

For all three of these price realism evaluations, the RFQ further provides that the agency will compare the quoted rates to three data points--GSA contract awarded labor categories (CALC+) published rates, historical rates, and the independent government cost estimate (IGCE) rates--including any discounts applied by the government and a "maximum percentage for the unrealistic LCATs" to be established by the government after submission of price volumes.⁶ *Id.* at 63-64. The RFQ then provides the following warning:

Once all three evaluations are completed, if the quoter exceeds the maximum percentage in any of the three evaluations, its quotation will be subjected to additional review. The Government will review the unrealistic aspects of the Price Volume and compare them to the quoter's proposed phase one technical approach. After the Government conducts this analysis, it will determine whether the unrealistic aspects of the Price Volume reflect a lack of understanding of the contract requirements and/or whether there are risks inherent in the quoter's phase one technical solution. If the Government determines there is a lack of understanding and/or risks inherent in the technical solution, then the quoter's price volume will be deemed unrealistic and the quoter will be eliminated from competition.

Id. at 64. The RFQ also includes revised compensation and price templates that vendors are instructed to complete and submit, along with a narrative, for their price volume.⁷ AR, Tab 5a, RFQ amend. 5, CJIS FAST Price Template; AR, Tab 6b, RFQ amend. 7, FAST Task Order LCAT Catalog.

⁶ The protester acknowledges that it would be "speculative and premature" to challenge these maximum percentage thresholds now. Protest at 18 n.7.

⁷ The later amendments to the RFQ also removed FAR provision 52.222-46, evaluation of compensation for professional employees. See COS at 4 n.8; Protest, exh. 25, Phase 3 FAST Task Order Questions and Answers, No. 23. While the protester raised the elimination of this FAR provision in its initial protest filing, and the agency responded, the protester did not address this further in its comments. Protest at 30 n.9; COS at 4 n.8, 11, 14; Memorandum of Law (MOL) at 12; see *generally* Comments. Accordingly, we consider the protester to have abandoned this argument and we do not consider it further. *IntelliDyne, LLC, B-409107 et al.*, Jan. 16, 2014, 2014 CPD ¶ 34 at 3 n.3.

In response to questions about the later amendments, the agency reiterated that “phase three is the pricing of the staffing solution from phase one” and advised the vendors that they would not be permitted to update information from phase one. See, e.g., AR, Tab 6a, Phase 3 FAST Task Order Questions and Answers, Nos. 4, 26, 51; Protest, exh. 25, Phase 3 FAST Task Order Questions and Answers, No. 23.

Prior to the May 15 closing date for submission of revised price quotations, ManTech filed this protest.

DISCUSSION

ManTech raises two primary challenges to the agency’s amended RFQ. First, ManTech contends that the amended price realism evaluation methodology is “irrational.” Protest at 16. Second, ManTech contends that the agency’s corrective action that permits vendors to submit only revised price quotations, “unreasonably and unlawfully” prohibits revisions to other parts of the quotations--specifically, the staffing approach that was evaluated in phase one. *Id.* at 19. We have reviewed all of the parties’ various filings and discuss below several representative examples of ManTech’s assertions, the agency’s responses, and our conclusions. Based on our review, we deny the protest.

Amended Price Realism Evaluation Criteria

First, ManTech argues that the price realism evaluation criteria, as amended, is “irrational” and “reduces the RFQ’s price realism evaluation to a rote counting exercise that will fail to meaningfully or accurately identify the relative risk of each quotation.” Protest at 16. In ManTech’s view, the amendment’s terms reflect a mechanical approach rather than one that considers relative risk, and will lead to a “predictable yet misleading outcome” where quotations that present different levels of risk will essentially be treated the same. Comments at 20. In essence, the protester complains that the revised RFQ permits the agency to abandon its responsibility to independently analyze and measure risk as called for in a price realism analysis, and instead sets an arbitrary and mechanical cutoff threshold below which quotations will be deemed unrealistic. ManTech further argues that, “[w]hile it is true that the agency has discretion to define the evaluation methodology, it does not have the authority to announce a price evaluation scheme that lacks any probative value.” *Id.* at 4.

The agency responds that the price realism evaluation criteria, as amended, is “reasonable,” “rational and permissible.” MOL at 3; COS at 6. The agency first notes that the RFQ has always provided for a price realism evaluation, which it describes as “assessing a vendor’s technical solution in conjunction with the unrealistic aspects of its price volume to determine if the price volume is in fact unrealistic.” MOL at 5. The contracting officer further maintains that “[t]he price realism analysis fundamentally reveals the vendor’s understanding of the CLIN’s objectives and constraints and whether there is risk to the vendor’s solution in the ability to recruit and retain qualified, capable staff with the skills required to perform the CLIN’s objectives.” COS at 7. In

other words, the agency argues that the amended evaluation criteria is fundamentally within the definition of price realism.

The agency also explains that the evaluation criteria includes “recognized price analysis techniques” in the FAR. MOL at 5. Specifically, as described above, per the RFQ, the agency will conduct three price realism evaluations on various aspects of the vendor’s quotation and proposed approach, including: FAST task order LCAT catalog, price template, and the LCAT instance and team impact for each vendor. COS at 7. The three evaluations will include comparison of the LCAT quoted rates to three established data points: GSA CALC+ published rates, historical rates, and the IGCE. The contracting officer further explains in detail how these data points were developed. For example, the IGCE was developed “[REDACTED].” *Id.* The contracting officer concludes that these data points are “commonly used for comparisons and rationale in formulation of price analysis.” *Id.*

As a specific example of why the protester asserts the agency’s price realism methodology is irrational, ManTech contends that the agency’s consideration of the number of times an unrealistically priced LCAT is used and the number of teams that contain unrealistically priced LCATs is unreasonable because the agency is “proposing to treat each LCAT as equally important to successful contract performance[.]” Protest at 18. In this connection, a quotation with various LCATs slightly below the RFQ’s realism threshold would not receive the same level of scrutiny as a quotation that had a single deeply discounted LCAT simply because the agency elected to mechanically count the total number of LCATs and teams deemed unrealistic. *See id.* ManTech maintains that the agency’s analysis should be tailored to each vendor’s quoted approach, which could include consideration of “ancillary LCATs spanning multiple teams” versus “a small number of critical positions.” *Id.* at 18-19.

In response, the agency argues that the protester’s “assertion reflects a misunderstanding of the price realism analysis.” MOL at 5. In this regard, the agency explains the following:

All of the LCATs in a catalog must be evaluated equally since any LCAT may surge into an agile team (existing or new) resulting in direct performance impact to the capacity and velocity of an agile team. None of the LCATs are ancillary. Similarly, the LCATs in a vendor’s technical solution and every team in the solution are also evaluated equally since those LCATs and teams have a direct performance impact on the capacity and velocity of the agile team and the CLIN. Capacity and velocity are critical to successful performance in each CLIN. [. . .] The CLINs provide cross functional processing for CJIS. If one CLIN’s capacity or velocity is impacted a collateral effect is encountered by the remaining CLINs which ultimately results in CJIS’ compute platforms underserving Law Enforcement/Intelligence communities.

Id. at 5-6. Thus, the agency asserts that it is consistent with the terms of the RFQ to consider all of a vendor's LCATs.

As an initial matter, we note that this competition was conducted under the Federal Supply Schedule (FSS) procedures of FAR subpart 8.4. The FAR explains that supplies offered on the schedule are listed at fixed prices, and services offered on the schedule are priced either at hourly rates or at a fixed price for performance of a specific task. FAR 8.404(d). Further, while the procedures of FAR part 15 were not used here, we note that as a general matter, in a fixed-price environment, procuring agencies do not necessarily have to consider price realism when evaluating quotations because fixed-price vehicles place the risk of loss on the contractor rather than on the government. *Patronus Sys., Inc.*, B-418784, B-418784.2, Sept. 3, 2020, 2020 CPD ¶ 291 at 4; *Laboratory Corp. of America*, B-407108, Nov. 5, 2012, 2012 CPD ¶ 313 at 5. However, as here, an agency may include in a solicitation a provision that provides for a price realism evaluation for the purpose of assessing whether an offeror's low price reflects a lack of understanding of the contract requirements or the risk inherent in a proposal. FAR 15.404-1(d)(3); *see also Patronus Sys., Inc., supra* at 4.

More specifically, the purpose of a price realism evaluation is to determine whether proposed prices are so low that they are not realistic for the work to be performed; reflect a lack of clear understanding of the requirements of the solicitation; or are not consistent with the methods of performance described in the vendor's technical proposal. FAR 15.404-1(d); *C.L. Price & Assocs., Inc.*, B-403476.2, Jan. 7, 2011, 2011 CPD ¶ 16 at 3. In other words, a price realism evaluation assesses whether a vendor is likely to be able to execute its proposed technical approach in the manner described at its proposed price. *Octo Consulting Grp., Inc.*, B-416097.3, B-416097.4, Sept. 24, 2018, 2018 CPD ¶ 339 at 8.

The FAR identifies a number of price analysis techniques that may be used to determine whether prices are reasonable and realistic, including analysis of pricing information provided by vendors. FAR 15.404-1(b)(2). The nature of the analysis required to assess whether a vendor's price is so unrealistically low as to reflect a lack of technical competence or understanding is within the agency's discretion. *AMEC Earth & Env'tl., Inc.*, B-404959.2, July 12, 2011, 2011 CPD ¶ 168 at 8. Agencies may use a variety of price evaluation methods to assess realism, including a comparison of prices received to one another, to previously proposed or historically paid prices, or to an independent government estimate. *General Dynamics-Ordnance & Tactical Sys.*, B-401658, B 401658.2, Oct. 26, 2009, 2009 CPD ¶ 217 at 3.

Here, the price realism evaluation methodology per the terms of the RFQ as amended falls within the agency's discretion and is not legally objectionable. Specifically, the agency will compare various aspects of vendors' price quotations to three established data points: GSA CALC+ published rates, historical rates, and the IGCE. While we draw no conclusions about how the agency will subsequently apply this evaluation methodology, we find no basis to question the amendment's terms and the agency's intentions as explained to our Office, where the agency asserts that: the RFQ is

consistent with the intended issuance of time-and-materials and fixed-price task orders; the purpose of a price realism analysis is to evaluate understanding of the solicitation requirements and performance risk, which is consistent with the terms of the RFQ; and the price realism analysis techniques described in the RFQ are consistent with and permitted by the FAR. MOL at 6; see RFQ amend. 7 at 63-64.

While ManTech continues to speculate that the evaluation will lead to a “predictable yet misleading outcome,” Comments at 20, the protester has not demonstrated that the terms are unreasonable or contrary to applicable procurement law and regulation. Accordingly, this protest ground is denied.

Corrective Action Limiting Quotation Revisions

Second, ManTech argues that the amended RFQ, which limits revisions to the price quotations, “unreasonably and unlawfully” prohibits revisions to other parts of the quotations--specifically, the staffing approach that was evaluated in phase one. Protest at 19. ManTech argues that the post-corrective action amendments represent “material changes” to the price realism evaluation criteria and that “there is a clear and obvious interplay between staffing pricing information and staffing technical approach that necessitates that offerors be free to address both topics when directed to make material changes to one of them.”⁸ *Id.* at 23, 27.

As noted above, prior to the agency’s decision to take corrective action, the RFQ’s price evaluation factor generally stated that the agency “will evaluate the quoter’s labor rates per team and per CLIN for the base year and all option years” and included various considerations to evaluate each price quotation for completeness, reasonableness, and realism. RFQ amend. 4 at 64. Specific to price realism, the RFQ provided that the agency “will evaluate salaries, and fringe benefits proposed for the employees who will work under the task order for the Government to assess its realism.” *Id.* at 65.

⁸ Our discussion of this protest ground focuses on the staffing approach and price factors because neither party meaningfully addresses any effects the agency’s corrective action could have on the other factors or aspects of the procurement. In this regard, ManTech advocates for “an obligation on the agency to allow unrestricted proposal revisions so long as the protester provides a reasonable case for why the need for additional proposal revisions flows from the agency’s corrective action.” Protest at 21, *citing Power Connector, Inc.*, B-404916.2, Aug. 15, 2011, 2011 CPD ¶ 186 (sustaining protest of agency’s corrective action, where the agency’s amendment made a material change to the solicitation’s evaluation criteria but limited the opportunity to submit revised proposals, and noting that “the general rule is that offerors should be permitted to revise all aspects of their proposal, absent a reasonable basis proffered by the agency for limiting revisions”). We do not think such a broad reading of our decisions is appropriate here and, as discussed below, we conclude that the protester has failed to rebut the agency’s position that it has presented a reasonable basis for limiting revisions.

Following the initial round of protests, the RFQ was amended to remove the language about salaries and fringe benefits and replace it with, as discussed above: three price realism evaluation methodologies focused on various aspects and combinations of labor categories, labor rates, and labor mix; comparisons to various data points including GSA CALC+ prices, historical information, and an IGCE; discounts calculated by the government and a maximum percentage to be established by the government; and several express references to analyzing the staffing template that was submitted and evaluated previously in phase one. RFQ amend. 7 at 63-64.

“This new language,” in the protester’s view, “places a drastically heightened significance on how offerors justify their labor mix and staffing recruitment strategies within the non-price proposal.” Protest at 30. In this regard, ManTech complains that the limitations on quotation revisions amount to “effectively locking offerors into staffing and technical approaches that were prepared without any notice they might be used (directly or indirectly) in the evaluation of price realism.” *Id.* at 2. ManTech summarizes the effects of the amended terms as follows: “Previously, realism only tied to compensation and fringe, not the fully burdened labor rates proposed by offerors. Now it applies to all aspects of the fully burdened labor rate, and those burdened labor rates are going to be compared in a very specific way that can lead to immediate proposal disqualification on previously unannounced grounds depending on the organization of agile teams.” Comments at 17.

In response, the agency argues that “the only change to the price evaluation was the removal of the base rate and fringe realism analysis and the clarification of how the realism analysis would be completed.” COS at 11. Further, the agency maintains that limiting non-price quotation revisions is appropriate “because the RFQ amendment[s] could not reasonably have an effect on the non-price quotations.” MOL at 7. Generally, the agency explains its decision to take corrective action, as follows:

In light of concerns regarding its price realism analysis, the Government took corrective action to clarify the analysis specified in the RFQ. To that end, the Government amended the solicitation to include additional language explaining how price realism would be evaluated. In doing so, it simplified the evaluation by removing base rates and fringe from the price realism analysis. Contrary to ManTech’s other protest grounds, the amendment does not introduce new evaluation criteria. Further, it does not change the requirements for the non-price factors that were evaluated in the prior phases of the RFQ. As the contracting officer states: “[e]ach phase of the RFQ is unique and mutually exclusive of the other phases.” The corrective action reasonably allows vendors to revise the aspect of their quotes affected by the clarification which is the price volume.

Id. at 9 (internal citations omitted), *citing* COS at 9, 14. In other words, the agency argues that: the amendments were within the agency’s discretion to take corrective action and do not constitute a material change; and, even if they were viewed as such,

they do not affect other evaluation factors--namely the staffing approach factor, for which the vendors already submitted quotations in phase one.

More specifically, the contracting officer points to the overall price evaluation language in the RFQ that has "always stated labor rates would be evaluated per team and per CLIN" to support her view that "ManTech has known for the entire procurement that the FBI would evaluate price realism by looking at how the [t]eams are organized." COS at 13-14, *citing* RFQ amend. 4 at 64. Accordingly, the agency asserts that "[a]ll ManTech is required to do in Phase Three[] is price its technical solution" and, since ManTech chose its technical solution based on the RFQ's previously stated requirements--knowing that the agency would perform a price realism evaluation related to its staffing approach--there is no basis to now require the agency to permit revision of that staffing approach. COS at 11. In this regard, the agency points out that "ManTech does not argue that it did not know realism would be evaluated[;] it is merely upset because it has now realized it underbid on its technical solution and has increased risk it will be found unrealistic." MOL at 11.

Agencies have broad discretion to take corrective action where the agency determines that such action is necessary to ensure a fair and impartial competition. *CSRA, LLC*, B-418903.9, Feb. 3, 2022, 2022 CPD ¶ 54 at 4. The details of implementing corrective action largely are within the discretion of the contracting agency, and we generally will not object to any particular corrective action, provided it is appropriate to remedy the concern that prompted the agency to take corrective action. *Id.* The question is whether the agency's corrective action is reasonable in relation to the flaw that the agency believes exists in its procurement process. *Id.*

In this regard, an agency's discretion when taking corrective action extends to a decision on the scope of proposal revisions (or, as here, quotation revisions), and there are circumstances where an agency may reasonably decide to limit the revisions offerors may make to their quotations. *See, e.g., Honeywell Tech. Sols., Inc.*, B-400771.6, Nov. 23, 2009, 2009 CPD ¶ 240 at 4. When assessing the reasonableness of an agency's restrictions on proposal revisions, we consider the extent to which the amendment, and the permitted changes in response to the amendment, materially impact or are inextricably linked with other aspects of a vendor's quotation. *Castro & Co., LLC*, B-415508.4, Feb. 13, 2018, 2018 CPD ¶ 74 at 3; *see also Deloitte Consulting, LLP*, B-412125.6, Nov. 28, 2016, 2016 CPD ¶ 355 at 6.

Here, the protester has not established that the amended price realism evaluation criteria represents a material change that requires the agency to permit vendors to revise any aspect of their quotations other than price. As noted above, the record does not support ManTech's view that the RFQ previously provided that "only" compensation and fringe benefits would be considered in the price realism evaluation. *See* RFQ amend. 4 at 64-65. Rather, the record shows that the RFQ advised vendors that the agency would conduct a price realism evaluation that would consider salaries and fringe benefits; and, while less detailed than other parts of the price evaluation, the reference to salaries and fringe benefits was not limited by the word "only," to the exclusion of

other price realism considerations, as represented by the protester. The post-corrective action amendments revised this aspect of the evaluation, and added detail on how the agency will conduct the price realism evaluation. As discussed above, these methodologies fall within the agency's discretion to evaluate price realism.

While ManTech correctly points out that the amendment adds several express references to the staffing approach and the staffing template, these references are consistent with a price realism evaluation--that is, as the agency explains, "assessing a vendor's technical solution in conjunction with the unrealistic aspects of its price volume to determine if the price volume is in fact unrealistic." MOL at 5; see also RFQ amend. 7 at 64 (reiterating that, "[i]f the Government determines there is a lack of understanding and/or risks inherent in the technical solution, then the quoter's price volume will be deemed unrealistic and the quoter will be eliminated from the competition"). Finally, notwithstanding these various references, we agree with the agency that the amendment "does not change the requirements for the non-price factors that were evaluated in the prior phases of the RFQ." MOL at 9.

In similar but factually different circumstances, our Office has considered whether the vendors have been afforded a reasonable opportunity to compete for the agency's requirements intelligently and on a comparatively equal basis. See, e.g., *Computer World Servs. Corp.*, B-418287.3, June 29, 2020, 2020 CPD ¶ 204 at 6; *Lockheed Martin Sys. Integration-Owego; Sikorsky Aircraft Co.*, B-299145.5, B-299145.6, Aug. 30, 2007, 2007 CPD ¶ 155 at 6 (sustaining protest of agency's corrective action where the agency amended the solicitation to materially change the cost evaluation methodology but improperly limited the scope of proposal revisions). In this regard, ManTech relies on our decision in *Computer World Servs. Corp.*, *supra*, in which our Office sustained a protest of an agency's proposed corrective action where the agency intended to eliminate the price realism evaluation criteria without amending the solicitation and affording competing firms an opportunity to submit revised quotations. The circumstances presented here are factually different than in *Computer World Servs. Corp.*, in that: the solicitation has always provided for a price realism evaluation; the agency has revised, not eliminated, that provision; and vendors are permitted to submit revised price quotations.

ManTech notes that, in *Computer World Servs. Corp.*, *supra*, our Office was persuaded by that protester's explanation of how the elimination of a price realism evaluation would reasonably affect its pricing and staffing approach. Protest at 23. Here, ManTech maintains that it would consider various ways to alter its pricing and staffing approach in light of "the new, extensive scrutiny that [its] rates are being subjected to." *Id.* at 31. In our view, this aspect of the protester's argument supports, rather than refutes, the agency's suggestion that ManTech "has now realized it underbid on its technical solution and has increased risk it will be found unrealistic." MOL at 11. Risk is inherent in most types of contracts, especially fixed-price contracts, and firms are expected to allow for that risk, and use their professional expertise and business judgment, in preparing their proposals. See, e.g., *Katmai Info. Techs., LLC*, B-406885, Sept. 20, 2012, 2012 CPD ¶ 227 at 5. In other words, the mere presence of risk reflected in the

post-corrective action amendments does not make the agency's actions here improper or undermine the ability of the vendors to compete intelligently and on a relatively equal basis.

Ultimately, under these circumstances, the protester has not established that the amended terms of the solicitation are unreasonable or contrary to applicable procurement law and regulation. Accordingly, this protest ground is denied.

The protest is denied.

Edda Emmanuelli Perez
General Counsel