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Decision

Matter of: Obsidian Solutions Federal Services, LLC

File: B-421651

Date: July 24, 2023

Milton C. Johns, Esq., Executive Law Partners, PLLC, for the protester. Lieutenant Colonel Jason R. Hull, Max D. Houtz, Esq., Darren S. Gilkes, Esq., William Whitman, Esq., and James Durkee, Esq., Defense Intelligence Agency, for the agency. Jacob M. Talcott, Esq., and Jennifer D. Westfall-McGrail, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Agency's selection of a higher-rated, higher-priced proposal for issuance of a task order is unobjectionable where the agency's best-value tradeoff decision was reasonable and consistent with the terms of the solicitation.

DECISION

Obsidian Federal Solutions Group, LLC, a service-disabled veteran-owned small business of Fredericksburg, Virginia, protests the issuance of a task order to Cherokee Nation Strategic Programs, LLC, of Tulsa, Oklahoma, under request for quotations (RFQ) No. HHM402-23-Q-0002. The Department of Defense, Defense Intelligence Agency (DIA) issued the RFQ for risk assessment labor services at the DIA Directorate of Logistics and Global Readiness, Supply Chain Risk Management (SCRM) Program Office (PO). The protester argues that the best-value tradeoff was unreasonable.

We deny the protest.

BACKGROUND

On December 5, 2022, the agency issued the solicitation to small business vendors under the General Services Administration's One Acquisition Solution for Integrated Services (OASIS), multiple-award indefinite-delivery, indefinite-quantity (IDIQ) contract in accordance with the procedures of Federal Acquisition Regulation (FAR) section 16.505. Agency Report (AR), Tab 4, RFQ at 1, 26; AR, Tab 1, Contracting Officer's Statement (COS) at 1-2. The solicitation anticipated the issuance of a fixed-price labor-hour task order for a 1-year base period, four 12-month option

periods, and one 6-month option to extend services in accordance with FAR clause 52.217-8. RFQ at 26. The due date for receipt of quotations was January 11, 2023. *Id.* at 30.

The solicitation provided for the submission of quotations in three volumes: (1) facility security clearance status, (2) technical and management approach, and (3) cost/price. *Id.* at 28-30. The technical and management approach consisted of three sub-factors: (1) program management plan, (2) staffing plan, and (3) transition plan. *Id.* at 29. For the program management plan, vendors were to detail their ability to manage SCRM labor support, time constraints, cost factors, and subcontractor personnel. *Id.* For the staffing plan, vendors were to demonstrate their ability to recruit and retain qualified candidates for the required labor categories. *Id.* For the transition plan, vendors were to provide their proposed transition metrics as well as a plan for managing the transition, identifying and mitigating transition risks. *Id.*

The solicitation provided for the evaluation of quotations based on the following factors: (1) facility security clearance status, which was evaluated on a pass/fail basis, (2) technical and management approach, and (3) cost/price. *Id.* at 31. To determine the overall technical rating for the technical and management approach factor, the solicitation provided for a combined technical/risk rating, which consisted of the risks associated with the proposed technical solution as well as any significant strengths, strengths, weaknesses, significant weaknesses, or deficiencies in the solution.¹ *Id.* at 32. Quotations would receive a rating of outstanding, good, acceptable, marginal, or unacceptable under this factor.² *Id.* at 32-33. The agency then would issue a task order following a best-value tradeoff where the non-price factors, when combined, were significantly more important than cost/price. *Id.* at 31.

The agency received eight timely quotations, including quotations from Obsidian and Cherokee. COS at 3. The evaluation results for Obsidian and Cherokee were as follows:

¹ As relevant here, the solicitation defined a “significant strength” as “an aspect of an [o]fferor’s proposal that appreciably enhances the merit of a proposal or appreciably increases the probability of successful contract performance.” *Id.* at 33. The solicitation defined a “strength” as “an aspect of an [o]fferor’s proposal that has merits or exceeds specified performance or capability requirements in a way that will be advantageous to the Government during contract performance.” *Id.*

² A rating of “outstanding” indicated “an exceptional approach and understanding of the requirements and contains multiple strengths, and risk of unsuccessful performance is low.” *Id.* at 32. A rating of “good” indicated “a thorough approach and understanding of the requirements and contains at least one strength, and risk of unsuccessful performance is low to moderate.” *Id.*

	Cherokee	Obsidian
Facility Security Clearance Status	Pass	Pass
Technical and Management Approach	Outstanding	Good
Price	\$26,732,491	\$22,454,541

AR, Tab 9, Source Selection Decision Document (SSDD) at 4.

In evaluating Cherokee’s quotation under the technical and management approach factor, the agency assigned three significant strengths for Cherokee’s program management plan, one strength for its staffing plan, and one strength for its transition plan. AR, Tab 8, Cherokee Factor Two Evaluation at 6-7. Cherokee’s quotation received no weaknesses or deficiencies. *Id.* at 8. Overall, the agency concluded that Cherokee’s quotation demonstrated an “exceptional approach and understanding of the requirements,” and assigned it a rating of “outstanding.” AR, Tab 9, SSDD at 4-5.

Obsidian’s quotation, on the other hand, received no significant strengths; instead, it received one strength for its project management plan, two strengths for its staffing plan, and two strengths for its transition plan. AR, Tab 7, Obsidian Factor Two Evaluation at 5-7. Its quotation also received no weaknesses or deficiencies. *Id.* at 7. Overall, the agency concluded that Obsidian’s quotation demonstrated a “thorough approach and understanding of the requirements,” which warranted a rating of “good.” AR, Tab 9, SSDD at 5. Although Cherokee’s price was higher than Obsidian’s price, the source selection authority (SSA) concluded that the “expected quality of the performance by [the awardee] more than offsets the costs that would be incurred should the [agency] have to settle for a lesser rated offer.” *Id.* at 9.

On April 18, 2023, the agency notified Obsidian that its quotation was not selected for award. AR, Tab 10, Unsuccessful Offeror Notice at 1. The agency provided Obsidian with a debriefing on April 24. AR, Tab 11, Debriefing at 1. In the debriefing, the agency explained that the awardee’s quotation “passed the facility clearance factor, was slightly superior in the technical and management approach, and submitted a fair and reasonable price that was found to be advantageous to the [agency].” *Id.* at 4. Obsidian then submitted a series of questions to the agency on April 26, to which the agency responded on May 1. AR, Tab 12, Obsidian Debriefing Questions at 1; AR, Tab 13, Response to Debriefing Questions at 1. This protest followed.³

DISCUSSION

³ The awarded value of the task order at issue here is \$26,732,491. AR, Tab 11, Debriefing at 3. Accordingly, this protest is within our jurisdiction to hear protests of task orders placed under civilian agency IDIQ contracts valued in excess of \$10 million. 41 U.S.C. § 4106(f)(2).

The protester contends that the agency's source selection decision was improper because it was based on an unreasonable best-value tradeoff. Protest at 5. Specifically, the protester contends that the agency failed to adequately support its decision to award the contract to a vendor that submitted a price that was over \$4 million higher than Obsidian's price. *Id.* at 6-7. For reasons discussed below, we deny the protest.

The evaluation of quotations is a matter within the discretion of the procuring agency. *Platinum Bus. Servs. LLC*, B-419930, Sept. 23, 2021, 2021 CPD ¶ 348 at 4. Where, as here, a solicitation provides that a task order will be issued to the vendor whose quotation is determined to be the best value, considering price and other factors, the agency retains the discretion to select a vendor with a technically superior evaluation, despite a higher price, so long as the tradeoff is properly justified and otherwise consistent with the stated evaluation and source selection scheme. *S4, Inc.*, B-310794, Feb. 12, 2008, 2008 CPD ¶ 45 at 3. A vendor's disagreement with the agency's decision, without more, does not render the evaluation unreasonable. *Platinum Bus. Servs.*, *supra*.

Here, the protester challenges the agency's best-value tradeoff. Protest at 5-6. Specifically, the protester argues that selecting a vendor with a price over \$4 million higher than the protester's price despite that vendor having only a "slightly superior" technical quotation "cannot on its face reasonably be justified." *Id.* at 6. The agency responds that it compared the assessed strengths and significant strengths of the two quotations and reasonably concluded that the technical advantages of Cherokee's proposal were worth its higher price. AR, Tab 2, Memorandum of Law (MOL) at 4-8; AR, Tab 9, SSDD at 9.

Based on the record, we have no basis to object to the agency's best-value tradeoff decision. As discussed above, Cherokee's quotation received an overall technical rating of "outstanding" while Obsidian's quotation received an overall technical rating of "good." AR, Tab 9, SSDD at 4. In evaluating Cherokee's technical quotation, the agency assigned Cherokee's program management plan significant strengths in three task areas: task area 5.1, SCRM PO Project Oversight; task area 5.6, Probability and Consequence Assessment; and task area 5.7, Post-Acquisition Management. AR, Tab 8, Cherokee Factor Two Evaluation at 6-7. The SSA stated that receiving significant strengths in these areas "significantly increase[d] the likelihood of successful production of risk characterization and reporting," as required for deliverable area 6.1. AR, Tab 9, SSDD at 6. The SSA further stated that no other vendor received as many significant strengths for the program management plan or for those specific task areas. *Id.* In the SSA's view, the significant strengths that Cherokee's quotation received under the program management plan, combined with the strengths it received under the staffing plan and transition plan, "offer[ed] a holistic approach" with "the best possibility of successful performance on the contract." *Id.* at 7.

In comparing Cherokee's quotation to Obsidian's quotation, the SSA noted that Obsidian's program management plan received a strength in task area 5.1, but did not receive strengths in task areas 5.6 or 5.7. *Id.* Additionally, the SSA indicated that while Obsidian received a strength for its SCRM risk assessments and understanding of the SCRM workflow processes, this risk assessment experience was obtained before the current SCRM PO standards and processes were established. *Id.* The SSA thus concluded that this experience, as well as the four strengths received for the protester's staffing plan and transition plan, was not advantageous enough to warrant selection over Cherokee's quotation. *Id.* at 7-8.

The protester's belief that Cherokee's price premium was simply too great constitutes only a disagreement with the agency's judgment, and is not sufficient to establish that the tradeoff was unreasonable. *Leading Edge Aviation Servs., Inc.*, B-419427, Feb. 25, 2021, 2021 CPD ¶ 146 at 8. As mentioned above, the solicitation expressly stated that non-price factors, when combined, were significantly more important than price. RFQ at 31. Because the agency fully discussed the strengths and significant strengths within both quotations, and documented its tradeoff decision, we have no basis to object to the agency's decision to select the higher-priced, higher-rated quotation.

The protest is denied.

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General Counsel