



Decision

Matter of: Leadership and Performance Strategies, LLC

File: B-422023

Date: December 29, 2023

Ronald E. Hewett for the protester.

James E. Vaiden, Esq., Robert D. Young, Esq., and Leslie Jefferson, Esq., Department of the Navy, for the agency.

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DIGEST

1. Protest that agency failed to evaluate the reasonableness of awardee's price is denied where record shows that agency's price evaluation was reasonable and consistent with the solicitation's terms.

2. Protest of agency's best-value determination is denied where tradeoff decision was adequately documented and consistent with solicitation's evaluation criteria.

DECISION

Leadership and Performance Strategies, LLC (LPS), of Sanford, North Carolina, protests the issuance of a purchase order to O2X Human Performance, LLC (O2X), under request for quotations (RFQ) No. N0018923Q0388, issued by the Department of the Navy, Naval Supply Systems Command, for human performance initiative services. The protester challenges the agency's price evaluation and the resulting best-value selection decision.

We deny the protest.

BACKGROUND

The agency issued the RFQ on August 23, 2023, pursuant to the simplified acquisition procedures prescribed in Federal Acquisition Regulation (FAR) subpart 13.5. Agency

Report (AR), Tab 1, RFQ at 1, 10.¹ Issued as a total set-aside for service-disabled veteran-owned small businesses (SDVOSB), the solicitation sought services to support the development of a human performance initiative aimed at enhancing naval aircrew strength and physical conditioning to decrease neck and back pain. *Id.* at 1, 10, 70. Specifically, the contractor will provide on-site human performance specialists, workshops, assessments, and reports. *Id.* at 70.

The RFQ contemplated the issuance of a fixed-price purchase order with a base year period of performance and up to four 1-year option periods. *Id.* at 10, 73. Using a best-value tradeoff, the agency intended to select the vendor whose quotation was “most advantageous to the Government,” when considering the following three evaluation factors: technical approach, past performance, and price. *Id.* at 14-15. Technical approach was more important than past performance, and when combined, the non-price factors were significantly more important than price. *Id.* at 15.

Three firms, including LPS and O2X, submitted quotations by the September 1 due date for receipt of quotations. AR, Tab 2, Business Clearance Memorandum (BCM) at 1-2. An agency technical evaluation board (TEB) evaluated vendors’ technical quotations using adjectival ratings set forth in the RFQ as follows: outstanding, good, acceptable, marginal, or unacceptable for the technical approach factor; and substantial confidence, satisfactory confidence, neutral confidence, limited confidence, or no confidence for the past performance factor. *Id.* at 9; RFQ at 19-20. The agency thereafter conducted a price analysis of the three quotations. AR, Tab 2, BCM at 19-22. The agency’s final evaluation of LPS’s and O2X’s quotations is summarized as follows:

	LPS	O2X
Technical Approach	Acceptable	Outstanding
Past Performance	Satisfactory Confidence	Substantial Confidence
Price	\$1,875,372.84	\$3,956,507.83

Id. at 23.

The contracting officer, acting as the source selection authority (SSA), thereafter independently reviewed the TEB’s evaluations and recommendations. She performed a tradeoff analysis and issued the purchase order to O2X. *Id.* at 22, 28. On September 22, the agency notified LPS of its selection decision. Contracting Officer’s Statement and Memorandum of Law (COS/MOL) at 17.

On September 26, at the request of the protester, the agency provided LPS with a brief explanation of the basis of award pursuant to section 13.106-3(d) of the FAR. *Id.* On September 28, LPS filed this protest with our Office.

¹ The agency amended the RFQ once. References are to the version of the RFQ found at tab 1 of the agency’s report. Citations to the record are to the Adobe PDF document page numbers.

DISCUSSION

The protester challenges the Navy's decision to issue the purchase order to O2X. Specifically, LPS argues that the agency's evaluation exhibited a "disregard for price reasonableness." Protest at 1. Had the agency performed a proper best-value decision, the protester claims its lowest-priced quotation would have been selected for award. *Id.* at 1-2. We have considered the arguments and issues raised by LPS, and while we do not address them all, we find no basis on which to sustain the protest.²

In reviewing allegations of an improper evaluation under simplified acquisition procedures, our Office does not reevaluate quotations; rather, we review the record to determine if the evaluation was reasonable, consistent with the solicitation's evaluation scheme, as well as procurement statutes and regulations, and adequately documented. *Antico Cantiere Del Legno Giovanni Aprea Di Cataldo S.R.L.*, B-414112, Feb. 21, 2017, 2017 CPD ¶ 58 at 4. A protester's disagreement with the agency's judgment, without more, is not sufficient to establish that the agency acted unreasonably. *Id.*

Price Reasonableness

The protester alleges that the agency failed to assess the reasonableness of the awardee's price, because O2X's quotation was twice the price of LPS's. Protest at 1-2. The agency responds that it reasonably evaluated O2X's price and concluded that the awardee's price was fair and reasonable. COS/MOL at 17-19.

An agency's concern in making a price reasonableness determination focuses primarily on whether the offered prices are higher than warranted, *i.e.*, if prices are too high. *Apex Transit Sols., LLC--Costs*, B-418631.4, Feb. 8, 2021, 2021 CPD ¶ 102 at 6. A determination of price reasonableness is a matter of agency discretion, involving the exercise of business judgment, which our Office will not question unless it is shown to be unreasonable. *Unitec Distrib. Sys.*, B-419874, B-419874.2, Aug. 20, 2021, 2021 CPD ¶ 307 at 7.

Here, the RFQ provided that the agency would conduct a "price analysis in accordance with FAR 13.106-3," using the quotations' total calculated price for the base period and all option periods.³ RFQ at 18. The solicitation further advised vendors that the contracting officer "may evaluate any and all information submitted by the vendor to

² As LPS elected to proceed with its protest without counsel, our Office did not issue a protective order. Accordingly, our discussion of some aspects of the procurement is, necessarily, general in nature to avoid reference to non-public information.

³ In simplified acquisitions, the FAR provides that the reasonableness of price may be determined by, among others, comparing quotations received or comparing quotations to an independent government estimate (IGE). FAR 13.106-3(a)(1), (a)(2).

support the reasonableness of prices quoted,” adding that the method of evaluation was solely within the contracting officer’s discretion. *Id.*

The evaluation record shows that the contracting officer’s price analysis considered the total price of all three submitted quotations, and compared the vendors’ prices to each other, noting the differences.⁴ AR, Tab 2, BCM at 19-20. The contracting officer determined that, based on the differences between the quotations’ prices, “adequate price competition was received.” *Id.* at 20. While the protester quoted the lowest price, the agency observed that the prices submitted by O2X and the third vendor “were within [a small percentage] of each other.” COS/MOL at 18. Ultimately, the contracting officer concluded that all three vendors’ prices were “fair and reasonable.” *Id.*; AR, Tab 2, BCM at 22.

The price analysis clearly shows that the agency compared the quotations it received to each other, as well as to the IGE. AR, Tab 2, BCM at 19-22. These two methodologies are not only consistent with the RFQ’s terms, but are expressly contemplated by the FAR. FAR 13.106-3(a); RFQ at 18. Based on our review of the record, we have no basis to question the agency’s business judgment that O2X’s price was fair and reasonable. As such, this allegation is denied. *Unitec Distrib. Sys.*, *supra* at 7-8 (denying protest where protester failed to show price reasonableness analysis was unreasonable or insufficiently documented).

Best-Value Decision

The protester also challenges the agency’s best-value tradeoff decision. According to the protester, the agency failed to provide sufficient “reasons” for its selection of O2X’s higher-priced quotation, particularly where LPS had based the firm’s quotation on its “success with the U.S. Air Force Optimization of the Human Weapons System (OHWS)” program. Protest at 1-2. The agency responds that it conducted a “thorough comparative assessment” of the quotations consistent with the solicitation’s terms, and reasonably concluded that O2X’s highest-rated quotation was the best value. COS/MOL at 3.

Source selection officials have broad discretion in determining the manner and extent to which they will make use of technical and price evaluation results, and their judgments are governed only by the tests of rationality and consistency with the stated evaluation criteria. *Unitec Distrib. Sys.*, *supra* at 8. Relevant here, the RFQ informed vendors that not only were the two non-price factors significantly more important than price, but that the agency explicitly reserved the right to issue the purchase order to “other than the lowest priced Vendor.” RFQ at 14-15.

Under the technical approach factor, the TEB assigned LPS a rating of “acceptable.” AR, Tab 2, BCM at 23. The evaluators identified no strengths and five weaknesses in

⁴ The agency also compared the vendors’ prices to the IGE, noting that O2X’s “overall price . . . is 0 [percent] less than the IGE.” AR, Tab 2, BCM at 21.

LPS's quotation, finding that LPS's "more generalized approach" would "increase the risk of unsuccessful performance to meet the government's specific requirements." *Id.* at 9-10. In contrast, the TEB assigned O2X a rating of "outstanding" under this factor. The evaluators assessed three strengths and no weaknesses to O2X's technical approach, finding that O2X's "exceptional approach" would "result in cost savings to the government" and increase "mission readiness." *Id.* at 12-13.

The SSA reviewed and concurred with the TEB's evaluations, observing that O2X had received the highest possible rating for its technical approach, and presented the lowest risk of unsuccessful performance. *Id.* at 9, 23. Although LPS's quotation demonstrated an "adequate" technical approach, the SSA concluded that O2X's additional strengths were "key factors" that would reduce the risk of unsuccessful performance and be "independently advantageous to the Government." *Id.* at 23. According to the SSA, these benefits were "discriminating factors" that justified O2X's higher technical approach rating.⁵ *Id.*

Under the past performance factor, the TEB concluded that LPS's quotation deserved a "satisfactory confidence" rating. *Id.* at 14. While the protester heralds the work of its subcontractor on the OHWS program, the TEB decided that the past performance effort was only "somewhat relevant," because (1) the OHWS work only touched on 7 of the 24 PWS requirements for the solicited effort, and (2) the OHWS contract's \$159,600 annual value was "significantly less" than the instant requirement. *Id.* at 15. In contrast, the evaluators determined that O2X's past performance merited a "substantial confidence" past performance rating, finding that O2X's references provide the agency

⁵ In response to the agency's redacted agency report, LPS contends that since O2X's technical quotation presumably included a "different approach" than LPS's, O2X must not have satisfied the performance work statement (PWS) requirements. Comments at 2, 4-5. Our Bid Protest Regulations require that a protest include a detailed statement of the legal and factual grounds for the protest, and that the grounds stated be legally sufficient. 4 C.F.R. §§ 21.1(c)(4), (f). These requirements contemplate that protesters will provide, at a minimum, either allegations or evidence sufficient, if uncontradicted, to establish the likelihood that the protester will prevail in its claim of improper agency action. *Midwest Tube Fabricators, Inc.*, B-407166, B-407167, Nov. 20, 2012, 2012 CPD ¶ 324 at 3. Where a protester relies on bare assertion, without further supporting details or evidence, our Office will find that the protest ground essentially amounts to no more than speculation and does not meet the standard contemplated by our regulations for a legally sufficient protest. *PricewaterhouseCoopers Pub. Sector LLP*, B-415129.3, July 31, 2018, 2018 CPD ¶ 272 at 3. Here, the protester provides no supporting details--let alone any evidence--to support its bald assertions regarding O2X's quotation failing to meet the PWS requirements. Speculation, which is not supported by facts or evidence, cannot form a valid basis of protest. *Advanced Alliant Sols. Team, LLC*, B-417334, Apr. 10, 2019, 2019 CPD ¶ 144 at 5 n.3. As such, this allegation is dismissed. 4 C.F.R. §§ 21.1(c)(4), (f); *Enterprise Sols. & Mgmt. Corp.*, B-421776, Sept. 28, 2023, 2023 CPD ¶ 231 at 3 n.4.

with “a high expectation that the vendor will successfully perform the services required in the solicitation.” *Id.* at 19.

After reviewing the TEB’s findings, the SSA observed that, unlike the assessment of O2X, she “did not have the same confidence” that the other vendors, including LPS, “would successfully perform the required effort.” *Id.* at 23. The SSA concluded that O2X’s past performance demonstrated “very relevant past performance references with quality assessments indicating a high degree of customer satisfaction to further support the government’s expectation that they will successfully perform the required effort.” *Id.*

In her best-value tradeoff determination, the SSA reaffirmed the solicitation’s notice that the technical approach and past performance factors were “significantly more important than price in this requirement.” *Id.* After conducting a comparative analysis and tradeoff, the SSA selected O2X’s highest-rated quotation as the best value over the other two lower-priced, but lower-rated, quotations. *Id.* at 22-24; COS/MOL at 19 (noting the other two quotations were “significantly lower rated”). According to the SSA, O2X’s “superior technical approach and superior past performance” merited paying an approximately 52.6 [percent] price premium above LPS’s quotation, especially considering that the solicited effort provides “critical support” to the agency. AR, Tab 2, BCM at 23-24.

It is the function of the source selection authority to perform a price/technical tradeoff, that is, to determine whether one quotation’s technical superiority is worth its higher price. *PeoplePower LLC*, B-409396, Apr. 2, 2014, 2014 CPD ¶ 118 at 5. An agency may properly select a more highly rated quotation over one offering a lower price where it has reasonably determined, as it did here, that the technical superiority outweighs the price difference. *Recogniti, LLP*, B-410658, Jan. 21, 2015, 2015 CPD ¶ 49 at 6.

Here, the SSA considered the evaluated benefits of O2X’s quotation under the stated evaluation criteria and ultimately determined that the technical merit of that quotation justified paying a price premium. AR, Tab 2, BCM at 22-24. As such, LPS’s disagreement with the SSA’s reasoned judgment provides no basis to sustain the protest. *Recogniti, LLP, supra* at 6.

The protest is denied.

Edda Emmanuelli Perez
General Counsel