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Decision

Matter of: Vectrus Systems, LLC

File: B-422697.6; B-422697.10

Date: October 4, 2024

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DIGEST

1. Protest challenging the agency's evaluation of the awardee's proposal is sustained where the proposal was internally inconsistent with respect to the awardee's compliance with the solicitation's material small business participation requirements, which rendered the proposal ineligible for award.
 2. Protest challenging the agency's evaluation of protester's technical proposal is sustained where agency's response to the allegations asserts only that the protester was not competitively prejudiced, and the record establishes a reasonable possibility of prejudice.
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DECISION

Vectrus Systems Corporation, of Colorado Springs, Colorado, protests the Department of the Army's issuance of a task order to Amentum Parsons Logistics Services LLC (APLS), of Arlington, Virginia,¹ pursuant to request for task order proposals (RFTOP)

¹ APLS is a joint venture comprised of five members: Amentum Services, Inc.; PAE Applied Technologies, Inc.; PAE Government Services, Inc.; Parsons Government Services, Inc.; and Parsons Government Services International, Inc. Previously, APLS was known as PAE-Parsons Global Logistics Services LLC (P2GLS), and the agency's
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No. W519TC-23-R-0014 to provide Army prepositioned stock (APS) support services in Kuwait. See Agency Report (AR), Tab 24, RFTOP at 1-4.² Vectrus challenges various aspects of the agency's evaluation of APLS's proposal, including the assertion that the agency failed to recognize internal inconsistencies in the proposal regarding APLS's compliance with the solicitation's small business requirements. Vectrus also protests the agency's evaluation of Vectrus's technical/management proposal.

We sustain the protest.

BACKGROUND

On May 5, 2023, pursuant to section 16.505 of the Federal Acquisition Regulation, the Army issued the RFTOP to the four contractors that were previously awarded indefinite-delivery, indefinite-quantity (IDIQ) contracts under the fifth generation of the Logistics Civil Augmentation Program (generally referred to as "LOGCAP V").³ As amended, the RFTOP contemplated issuance of four task orders to provide APS support in different geographic regions around the world;⁴ the task orders were competed simultaneously.⁵ RFTOP at 2-3 The solicitation provided that each task order will contain cost-plus-fixed-fee, fixed-price, and non-fee bearing cost contract line item numbers (CLINs); each task order will cover a 1-year base period, a 1-year option period with two additional 6-month option periods, and a final 6-month option period. *Id.* The instant protest concerns the Army's evaluation and source selection decision for the task order to be performed in Kuwait (APS-5).

The solicitation provided that award would be made on the basis of a best-value tradeoff between the following evaluation factors, listed in descending order of importance: technical/management approach, past performance, small business participation, and

contemporaneous record refers to the awardee, alternatively, as APLS, P2GLS, and Amentum. For the sake of consistency, this decision refers to the awardee as APLS.

² The page numbers referenced in this decision are the Adobe PDF page numbers in the documents submitted. All citations to the RFTOP in this decision refer to the final version of the RFTOP, issued with amendment 9, that was submitted at tab 24 of the agency report.

³ In 2019, the agency awarded LOGCAP V contracts to: Fluor Corporation; KBR, Inc.; Vectrus, Inc.; and APLS (P2GLS at the time of award).

⁴ Specifically, the solicitation contemplated issuance of task orders to provide APS services in Europe (referred to as APS-2), South Carolina (APS-3), Korea/Japan (APS-4), and Kuwait (APS-5). RFTOP at 2.

⁵ Offerors were not required to submit proposals for all four locations, and the RFTOP provided that the agency would separately evaluate the proposals for each location. *Id.* at 3, 27.

cost/price. The solicitation further stated that all factors other than cost/price, when combined, were significantly more important than cost/price. *Id.* at 26-27.

With regard to the technical/management approach factor, the solicitation established three equally weighted subfactors (program management plan, site specific staffing plan, and adjusted labor staffing model); set forth evaluation criteria for each subfactor; and provided that the Army would assess adjectival ratings of outstanding, good, acceptable, marginal, and unacceptable under this factor. *Id.* at 29-32.

With regard to past performance, the solicitation established three equally weighted subfactors (supply, maintenance, and transportation) and provided that the agency would make “overall integrated” confidence assessments by assigning ratings of substantial confidence, satisfactory confidence, neutral confidence, limited confidence, and no confidence.⁶ *Id.* at 37.

Of particular relevance here, with regard to the small business participation factor, the solicitation established certain requirements regarding the use of small business subcontractors; required each offeror to submit a small business commitment document addressing those requirements; provided that each proposal would be evaluated under this factor on an acceptable/unacceptable basis; and provided that a proposal must receive a rating of acceptable to be eligible for award. *Id.* at 39; see AR, Tab 11, Small Business Commitment Document.

Specifically, with regard to the APS-5 procurement,⁷ the solicitation stated:

The Government has established the following goals . . . based on total task order value:

- Small Business (SB) 2%
- Small Disadvantaged Business (SDB) 1%
- Women-Owned Small Business (WOSB) 1%
- HUBZone-Certified Small Business (HUBZone) 1%
- Veteran-Owned Small Business (VOSB) 1%
- Service-Disabled Veteran-Owned Small Business (SDVOSB) .50%

RFTOP at 38.

⁶ Of some relevance here, the solicitation defined a substantial confidence rating as “the Government has a high expectation that the offeror will successfully perform the required effort,”; a satisfactory confidence rating as “the Government has a reasonable expectation that the offeror will successfully perform the required effort”; a limited confidence rating as “the Government has a low expectation that the offeror will successfully perform the required effort”; and a no confidence rating as “the Government has no expectation that the offeror will be able to successfully perform the required effort.” RFTOP at 35-36.

⁷ The solicitation contained differing small business requirements depending on whether the performance location was within or outside the continental United States. *Id.* at 38.

To be rated as acceptable under this evaluation factor, an offeror's proposal was required to meet or exceed each of the stated small business subcontracting goals or provide a "reasonable rationale" as to why the goals were not met. RFTOP at 39-40.

Also relevant here, with regard to the cost/price factor, the solicitation required each offeror to submit a cost/price proposal that included subcontractor costs. *Id.* at 18-26. Among other things, the solicitation stated that, if a subcontractor was proposed to support cost-type CLINs under a fixed-price subcontract, the offeror must provide "a detailed price proposal which clearly shows the proposed labor categories, proposed labor hours, proposed FTEs [full-time equivalents], and proposed firm fixed prices for all periods of performance." *Id.* at 21. Similarly, if an offeror was being proposed to support cost-type CLINs under a cost-reimbursement subcontract, the proposal was required to include "a detailed cost element proposal by CLIN," and "be supported with verifiable facts, figures, and basis of estimates." *Id.*

On or before the June 13 solicitation closing date, the agency received proposals from all four LOGCAP contractors, including Vectrus and APLS. Contracting Officer's Statement and Memorandum of Law (COS/MOL) at 2. Thereafter, the agency evaluated those proposals, established a competitive range consisting of all four offerors, conducted multiple rounds of discussions, and requested that final proposal revisions be submitted by January 31, 2024. *Id.* at 3.

With its proposal, APLS submitted a small business commitment document indicating that it would comply with the solicitation's small business requirements and listed specific subcontractors for each of the small business participation goals. AR, Tab 168, APLS's Small Business Commitment Document at 2. Nonetheless, in describing its proposed technical/management approach, APLS's proposal stated: "APLS . . . will perform all APS Task Order work under APLS member company Amentum Services, Inc," and its organization chart for APS-5 indicated that no subcontractors were being proposed. AR, Tab 162, APLS Technical/Management Proposal at 1, 5; *see also* AR, Tab 155, APLS Technical/Management Proposal at 1. Further, in its cost/price proposal, APLS did not provide any subcontractor cost/price information and stated: "all subcontractor requirements detailed within the RFTOP are not applicable." AR, Tab 43, APLS Proposal Assumptions at 2; Tab 152, APLS Cost/Price Proposal.

Following the offerors' submission of final proposal revisions, the proposals were evaluated as follows:

	Technical	Past Performance	Small Business	Cost/Price
APLS	Good	Satisfactory	Acceptable	\$128,169,945
KBR	Good	Satisfactory	Acceptable	\$178,849,446
Vectrus	Acceptable	Satisfactory	Acceptable	\$156,205,739
Fluor	Acceptable	Satisfactory	Acceptable	\$177,640,801

AR, Tab 99, Source Selection Evaluation Board (SSEB) Report at 20.

On May 10, the agency selected APLS’s proposal for award; thereafter, Vectrus filed this protest.⁸

DISCUSSION

Vectrus challenges various aspects of the agency’s evaluation of APLS’s proposal, including the assertion that the agency failed to recognize internal inconsistencies in APLS’s proposal regarding its compliance with the solicitation’s small business subcontracting requirements. Vectrus also protests the agency’s evaluation of Vectrus’s own proposal under the technical management evaluation factor. As discussed below, we sustain the protest based on the inconsistencies in APLS’s proposal and the agency’s failure to recognize them. We also sustain the protest regarding the agency’s evaluation of Vectrus’s technical proposal. While we do not discuss all of the protesters’ remaining allegations, we have considered them all and find no additional basis to sustain the protest.⁹

⁸ The value of the protested task order exceeds \$25 million. Accordingly, this protest is within our jurisdiction to hear protests of task orders placed under defense agency IDIQ contracts. 10 U.S.C. § 3406(f)(1)(B).

⁹ For example, Vectrus asserts that it was unreasonable for the agency to assign APLS’s proposal a rating of satisfactory confidence under the past performance factor because the prior performance the agency considered was that of Amentum Services, Inc. (the APLS joint venture member that APLS’s proposal stated “will perform all [of the APS-5] task order work”), alleging that there had been various prior performance problems with this firm. Protest at 68-70; Comments and Supp. Protest at 11-23. An agency’s evaluation of past performance is a matter within the agency’s discretion and, by its very nature, is subjective; GAO will not substitute its judgment for reasonably based evaluation ratings. An offeror’s disagreement with an agency’s evaluation judgments, without more, does not demonstrate that those judgments are unreasonable. *Janus Global Operations, LLC, B-418980 et al.*, Nov. 10, 2020, 2020 CPD ¶ 377 at 14. In assessing past performance, it is proper for the agency’s

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Evaluation of Inconsistencies in APLS's Proposal

First, Vectrus asserts that APLS's proposal was internally inconsistent regarding APLS's compliance with the solicitation's small business participation requirements, and that the agency's evaluation failed to recognize or address these inconsistencies. In short, Vectrus argues that, while APLS's proposal contained a small business commitment document indicating that APLS would comply with the solicitation's small business subcontracting requirements, its proposed technical/management proposal reflected an approach to self-perform all task order requirements and, similarly, its cost/price proposal failed to include any subcontractor cost/price information--which the solicitation required.

More specifically, Vectrus notes that, contrary to the agency's assessment of an acceptable rating regarding APLS's compliance with the solicitation's small business participation requirements, APLS's description of its technical/management approach stated: "**APLS . . . will perform all APS Task Order work under APLS member company Amentum Services, Inc.**" Comments and Supp. Protest at 4 n 4; see AR, Tab 162, APLS Technical/Management Proposal at 1. Further, while the organization chart APLS submitted with its technical/management proposal provided a visual means to distinguish between areas that would be staffed by the prime or a subcontractor¹⁰ the chart did not, in fact, identify any subcontractors. *Id.*; see AR, Tab 162, APLS Technical/Management Proposal at 5.

Similarly, Vectrus notes that, despite the solicitation's explicit requirements that cost/price proposals must include detailed cost/price information for proposed subcontractors, APLS's proposal contained no subcontractor cost/price information--and further stated: "all subcontractor requirements detailed within the RFTOP are not applicable." Comments and Supp. Protest at 6-8; see AR, Tab 43, APLS Proposal Assumptions at 2; see Tab 152, APLS Cost/Price Proposal. On this record, Vectrus maintains that the agency was required to either resolve these inconsistencies (which it did not) or evaluate APLS's proposal as ineligible for award. Comments and Supp. Protest at 4-11.

evaluation to reflect the totality of an offeror's prior contract performance and in appropriate circumstances, an agency may reasonably assign a satisfactory rating to a proposal despite the fact that portions of the offeror's prior performance have been unsatisfactory. *Id.* Here, the solicitation specifically advised offerors that the agency would make an "overall integrated" confidence assessment under the past performance factor. Consistent with that provision and our prior decisions, our review of the record establishes that the agency reasonably considered the totality of APLS's past performance (and that of its joint venture member), including both positive and negative information, and reasonably assigned a rating of satisfactory confidence. AR, Tab 99, SSEB at 15. Accordingly, we conclude that the agency's evaluation of the awardee's past performance was unobjectionable.

¹⁰ The chart's legend provided that areas staffed by subcontractors would be identified by a purple border.

In responding to the protest, the agency asserts that APLS's technical proposal for APS-5 "do[es] not mention that it will self-perform." Supp. COS/MOL at 4. In making this assertion, the agency references a portion of APLS's technical proposal (in which it specifically discussed its proposed approach to performing the solicitation's production control management requirements) which stated: "we intend to self-perform all aspects of production control management"--and suggests that APLS's proposed self-performance was limited to that portion of the solicitation requirements. *Id.*; see AR, Tab 155, APLS Technical/Management Proposal at 1. However, despite these statements in the proposal, the agency does not address the statement at the top of *that same page* which states: "**APLS . . . will perform all APS TO [task order] work under APLS member company Amentum Services, Inc.**" Supp. COS/MOL at 4; see AR, Tab 155, APLS Technical/Management Proposal at 1.

In responding to this portion of Vectrus's protest, the agency also submitted a post-protest memorandum from the source selection authority (SSA),¹¹ in which the SSA acknowledged Vectrus's allegation regarding the APS-5 procurement and acknowledged that APLS's cost volume did not include subcontractor costs. The SSA asserts that he construed APLS's small business proposal as representing that APLS "[was] going to subcontract at some point"; and concluded that "*if and when*" such subcontracting occurred, the subcontractor's costs would not be "dissimilar" to those of APLS. AR, Tab 174, SSA Post-Protest Memorandum at 1. Accordingly, the SSA maintains that it was reasonable to rate APLS's proposal as acceptable and eligible for award. We disagree.

A proposal that fails to comply with a solicitation's material requirements may not form the basis for an award. *Deloitte Consulting LLP*, B-417988.2 *et al.*, Mar. 23, 2020, 2020 CPD ¶ 128 at 6; *IBM U.S. Fed., a division of IBM Corp.; Presidio Networked Solutions, Inc.*, B-409806 *et. al*, Aug. 15, 2014, 2014 CPD ¶ 241 at 10. In determining the technical acceptability of a proposal or quotation, an agency may not accept at face value a promise to meet a material requirement, where there is significant countervailing evidence that was, or should have been, reasonably known to the agency evaluators that should create doubt whether the offeror or vendor will or can comply with that requirement. *Deloitte Consulting LLP, supra*; *Bahrain Telecommunications Co., B.S.C.*, B-407682.2, B-407682.3, Jan. 28, 2013, 2013 CPD ¶ 71 at 5-6. In this context, a proposal that contains an ambiguity as to whether the offeror will comply with a material solicitation requirement renders the proposal unacceptable. *Deloitte Consulting LLP, supra* at 6-7; *Solers, Inc.*, B-404032.3, B-404032.4, Apr. 6, 2011, 2011 CPD ¶ 83 at 7 n.6.

Here, given the significant conflicting information contained in APLS's proposal, as discussed above, it was unreasonable for the agency to accept APLS's representation that it would comply with the small business subcontracting requirements. *Innovative*

¹¹ The protest was filed on June 26, 2024; the SSA's memorandum is dated August 7, 2024. AR, Tab 174, SSA Post-Protest Memorandum.

Mgmt. & Tech. Approaches, Inc., B-418823.3, B-418823.4, Jan. 8, 2021, 2021 CPD ¶ 18 at 8 (an agency may not accept at face value a promise to meet a material requirement where there is significant countervailing evidence reasonably known to the agency evaluators that should create doubt about whether the offeror will or can comply with that requirement). Specifically, APLS's proposal stated repeatedly that it would "perform all APS TO [task order] work under APLS member company Amentum Services, Inc." AR, Tab 155, APLS Technical/Management Proposal at 1; see also, AR, Tab 160, APLS Past Performance Proposal; AR, Tab 162, APLS Technical/Management Proposal at 1. Further, while the organizational chart APLS submitted with its technical proposal included a legend to identify proposed subcontractors, the chart itself identified none. AR, Tab 162, APLS Technical/Management Proposal at 5. Similarly, APLS's cost/price proposal did not contain any subcontractor cost/price information--despite the solicitation's express requirement that such information be provided--and APLS stated: "all subcontractor requirements detailed within the RFTOP are not applicable." AR, Tab 43, APLS Proposal Assumptions at 2; Tab 152, APLS Cost/Price Proposal.

Further, we find unreasonable the SSA's assertion that APLS's proposal acceptably complied with the solicitation requirements based on the SSA's understanding that APLS would engage subcontractors "at some point" after award, and "if and when" it did so, those subcontractor costs would be similar to APLS's proposed costs. As discussed above, the solicitation contained explicit requirements for offerors to submit detailed cost/price information for proposed subcontractors, and APLS's failure to comply with that requirement, and its express statements that it would self-perform all of the task order requirements, were directly contrary to its representation that it would comply with the solicitation's small business subcontracting requirements. Therefore, it was unreasonable for the SSA to conclude that APLS would meet these requirements.

On this record, it was unreasonable for the agency to rate APLS's proposal as acceptable under the small business participation factor. Accordingly, APLS's proposal was ineligible for award, and we sustain the protest on that basis.

Evaluation of Vectrus's Technical Proposal

Additionally, Vectrus challenges the agency's evaluation of its own technical proposal, arguing that the Army failed to acknowledge certain specific strengths. Protest 48-57, 77. For each allegedly overlooked strength, Vectrus's protest specifically describes the relevant portion of its proposal, the RFTOP requirement that its approach exceeded, and the benefits provided to the agency.¹² In responding to the protest, the Army did not address the substance of Vectrus's specific allegations; instead, the Army asserts that the rating assigned under the technical/management approach factor was based on

¹² For example, Vectrus explains that the RFTOP required offerors to detail how they would "respond to repair parts unavailability," and Vectrus points to information in its proposal discussing how it would [redacted]. Protest at 49-50 (citing RFTOP at 7 and Protest exh. T, Vectrus Technical Proposal at 1).

the following three elements: (1) the proposal's approach and understanding of the requirements, (2) the proposal's strengths and weaknesses, and (3) the risk of unsuccessful performance. COS/MOL at 48-51 (citing RFTOP at 30). Further, the agency maintains that, because the protester has challenged the evaluation of only the second element--the number of strengths and weaknesses--and the protester's proposal did not satisfy the criteria for a higher rating under the other two elements, increasing the number of strengths or significant strengths in Vectrus's proposal could not have changed the rating assigned under the technical and management approach factor, and therefore Vectrus was not prejudiced. *Id.* at 51-52.

Because the agency's sole defense is its assertion that Vectrus cannot establish that it was competitively prejudiced by the alleged errors, our resolution of the protester's allegations necessarily turns on the resolution of that question. As discussed below, we are unpersuaded by the Army's argument that Vectrus cannot establish a reasonable possibility that it was prejudiced by the alleged evaluation errors.

Where a protester raises a challenge regarding an alleged failure to properly assess strengths, an agency has an obligation to provide a responsive explanation to the allegations. *Tech Marine Bus., Inc.*, B-420872 *et al.*, Oct. 14, 2022, 2022 CPD ¶ 260 at 6; *see also ITility, LLC*, B-421871.3, B-421871.4, May 3, 2024, 2024 CPD ¶ 102 at 5 (where an agency does not substantively respond to a protest allegation and does not contest the merits, we view the agency as having effectively conceded that the arguments have merit); *TriCenturion, Inc.; Safeguard Servs., LLC*, B-406032 *et al.*, Jan. 25, 2012, 2012 CPD ¶ 52 at 17 (same); *cf. Cognosante MVH, LLC*, B-418986 *et al.*, Nov. 13, 2020, 2021 CPD ¶ 3 at 8 (finding the statements from the evaluators and contracting officer responding to the protester's arguments demonstrated the reasonableness of the agency's decision not to assign the challenged strengths).

Here, the agency's response to Vectrus's protest does not respond to the substance of the detailed discussion in Vectrus's protest alleging that strengths were warranted. Instead, the Army broadly asserts that identifying additional strengths or significant strengths would not change the adjectival rating assigned to the protester's proposal and, thus, Vectrus could not have been prejudiced. COS/MOL at 48-51.

As a general matter, our Office resolves any doubts regarding prejudice in favor of a protester. *ITility, LLC, supra* at 9. Here, we cannot conclude that the identification of additional strengths or significant strengths in Vectrus's proposal could not have had any effect on the adjectival rating assigned. As the agency states, the adjectival rating was based on three elements--with the number of strengths and weaknesses identified being one of the elements. RFTOP at 30. The number of strengths identified in a proposal is directly related to the other two elements--approach and understanding, and risk of unsuccessful performance. Accordingly, as the protester asserts, there is a reasonable possibility that a proposal with more strengths would also be found to demonstrate a "thorough approach and understanding of the requirements" and a low-to-moderate risk of unsuccessful performance--as required for a rating of good. Protest at 47; RFTOP at 30.

Finally, since APLS's proposal was ineligible for award for the reasons discussed above, and Vectrus proposed a lower cost/price than KBR, any change in competitive standing could be meaningful here. If Vectrus's proposal were to be rated as good under the technical/management approach factor, its proposal would have the same adjectival rating as KBR's proposal, with a lower proposed cost/price.¹³ AR, Tab 99, SSEB Report at 20. In such a scenario, there is a reasonable possibility that Vectrus's proposal would have been selected for award. Accordingly, we conclude that Vectrus has established a reasonable likelihood of competitive prejudice, and this protest ground is sustained. *Meridian Knowledge Sols., LLC, B-420150 et al.*, Dec. 13, 2021, 2021 CPD ¶ 388 at 6-7.

RECOMMENDATION

In light of the agency's improper issuance of a task order to APLS on the basis of a proposal that failed to meet a material solicitation requirement, we recommend that the agency evaluate the offerors' proposals consistent with the solicitation and this decision to include reopening discussions and soliciting revised proposals as appropriate and make a new source selection decision. If APLS is not selected for award as part of the new source selection decision, we recommend that the agency terminate APLS's task order for the convenience of the government. In addition, we recommend that the protester be reimbursed its costs of filing and pursuing the protest, including reasonable attorneys' fees. 4 C.F.R. § 21.8(d)(1). The protester should submit its claim for such costs, detailing and certifying the time expended and costs incurred, with the contracting agency within 60 days of receiving this decision. 4 C.F.R. § 21.8(f)(1).

The protest is sustained.

Edda Emmanuelli Perez
General Counsel

¹³ In that scenario, Vectrus's proposal would also have a higher technical/management rating and lower evaluated cost/price than Fluor's proposal. AR, Tab 99, SSEB Report at 20.