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Decision

Matter of: Booz Allen Hamilton, Inc.

File: B-422823; B-422823.2

Date: November 18, 2024

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DIGEST

Protest challenging the agency's evaluation of proposals and best-value tradeoff is denied where the agency's evaluation and tradeoff were reasonable and consistent with the terms of the solicitation and applicable procurement law.

DECISION

Booz Allen Hamilton, Inc., (BAH) of McLean, Virginia, protests the issuance of a task order to Deloitte Consulting, LLP, of Washington, D.C., pursuant to request for proposals (RFP) No. 36C10B24R0015 under the General Services Administration's (GSA) Alliant II multiple award indefinite-delivery, indefinite-quantity contract by the Department of Veterans Affairs (VA) for enterprise software development services. The protester alleges that the agency erred in its evaluation of Deloitte's proposal and in the conduct of its best-value tradeoff.

We deny the protest.

BACKGROUND

The agency issued the RFP on March 25, 2024, to all GSA Alliant II contract holders, and the RFP was subsequently amended four times. Contracting Officer's Statement (COS) at 2. The RFP contemplated the issuance of a single fixed-price task order with a 1-year base period, and four 12-month option periods. Agency Report (AR), Tab 8,

RFP at 39. The RFP provided that the award would be based on a best-value tradeoff between three evaluation factors: (1) technical; (2) price; and (3) veterans’ involvement. *Id.* at 125. The RFP provided that technical was significantly more important than price, and that price was significantly more important than veterans’ involvement, but the RFP also advised that the award would not necessarily be made to the lowest priced or highest technically rated proposal. *Id.*

Concerning technical proposals, the RFP explained that the agency would evaluate proposals by considering the extent to which proposals addressed two principal technical discriminators: (1) an offeror’s understanding of the solicitation’s requirements; and (2) the feasibility of the technical approach. *Id.* Additionally, each offeror was required to “propose the labor categories, labor rates, and labor hours appropriate for its proposed solution to meet the requirements of this effort that form the basis for calculating the proposed price of this effort,” but the RFP also explained that the agency would not conduct a “cost realism analysis.” *Id.* at 126, 130.

On April 24, the agency received four timely proposals, including proposals from BAH and Deloitte. COS at 3. The agency evaluated BAH and Deloitte as follows:

	BAH	Deloitte
Technical	Outstanding	Acceptable
Veterans’ Involvement	Some Consideration	Some Consideration
Price	\$1,371,917,392.43	\$726,441,067.61

AR, Tab 13, Source Selection Decision Document (SSDD) at 3.

Relevant to this protest, the agency identified one strength, three significant strengths, and no weaknesses in BAH’s proposal. *Id.* at 6. By contrast, the agency identified two weaknesses and no strengths in Deloitte’s proposal. *Id.* at 3-4. While the source selection authority (SSA) acknowledged that the RFP provided that technical was significantly more important than price, and that BAH’s proposal had “considerable” technical benefits, the SSA ultimately concluded that BAH’s technical benefits did not merit an 89 percent price premium over Deloitte’s technically acceptable proposal. *Id.* at 16-17. The agency issued a task order to Deloitte on July 31, 2024, and this protest followed.¹

¹ The task order is valued at \$726,441,067.61, and, accordingly, this protest is within our jurisdiction to hear protests of task orders placed under civilian agency indefinite-delivery, indefinite-quantity contracts valued in excess of \$10 million. 41 U.S.C. § 4106(f)(1)(B).

DISCUSSION

The protester principally challenges the agency's evaluation of the awardee's proposal and the best-value tradeoff. Specifically, the protester claims that the agency improperly ignored or minimized several negative features of the awardee's proposal, which should have been evaluated as deficiencies or significant weaknesses. Protest at 51-63; Comments and Supp. Protest at 7-30, 44-51. Additionally, the protester claims that the agency's award decision ignored several weaknesses of the awardee's proposal, did not adequately consider the beneficial technical features of the protester's proposal, and improperly converted a best-value procurement into a lowest-priced, technically acceptable procurement. Protest at 17-24; Comments and Supp. Protest at 30-41. We address these arguments in turn, and, for the reasons that follow, find no basis on which to sustain the protest.²

² The protester raises other collateral arguments not addressed in this decision. While we do not discuss these arguments we have considered them and conclude they provide no basis to sustain the protest. For example, the protester challenged the agency's price evaluation by arguing that the agency failed to assess performance risk posed by the awardee's low price. Protest at 24-51; Comments and Supp. Protest at 41-44. However, in a fixed-price procurement, such as this one, an agency must announce that it intends to perform a price realism analysis in the solicitation in order for such an analysis to be permissible. *Milani Constr., LLC*, B-401942, Dec. 22, 2009, 2010 CPD ¶ 87 at 4-5.

Here, the solicitation did not provide for a price realism analysis; indeed, as addressed above, the RFP specifically stated that the agency would not conduct a realism analysis. AR, Tab 8, RFP, at 126. However, the protester argues that solicitation language requiring that each offeror "shall propose the labor categories, labor rates, and labor hours appropriate for its proposed solution to meet the requirements of this effort" is tantamount to a price realism requirement because it required offerors to propose labor rates consistent with their technical approach. See Protest at 28 (*citing* RFP at 130). In this regard, our decisions are clear that we will only construe indirect language as permitting a price realism evaluation if the solicitation expressly states both that the agency will review prices to determine whether they are so low that they reflect a lack of technical understanding, and that a proposal or quotation can be rejected for offering low prices. See, e.g., *Raytheon Co.*, B-417524.2, B-417524.3, Dec. 19, 2019, 2020 CPD ¶ 50 at 6; *OBXtek, Inc.*, B-415258, Dec. 12, 2017, 2017 CPD ¶ 381 at 9. The solicitation language identified by the protester in this case does not expressly say either of those things, and our decisions have declined to find a price realism analysis to be permitted in those circumstances. *Raytheon Co.*, *supra*; *OBXtek, Inc.*, *supra*.

In the alternative, the protester argues that those solicitation requirements amount to surplusage if they do not require the agency to perform some kind of evaluation of the consistency of an offeror's labor rates and technical approach. Comments and Supp. Protest at 41-44. We do not agree. Preliminarily, the kind of analysis of consistency

(continued...)

Deloitte's Proposal

The protester contends that the agency either ignored or minimized several weaknesses or risks in the awardee's proposal that should have amounted to either significant weaknesses or deficiencies. Protest at 51-63; Comments and Supp. Protest at 7-30, 44-51. Specifically, the protester argues that Deloitte's staffing and recruitment proposal failed to address the requirements of the solicitation and the agency failed to evaluate risks to staffing, recruitment, and retention as required by the solicitation. Protest at 51-54; Comments and Supp. Protest at 44-51. The protester suggests that if the agency had conducted the evaluation of recruitment and retention risks as required by the solicitation, the awardee would have received significant weaknesses or deficiencies. *Id.* Alternatively, the protester argues that each of the two weaknesses identified by the technical evaluation team (TET) should instead have been significant weaknesses or deficiencies in Deloitte's proposal. Protest at 54-63, Comments and Supp. Protest at 7-30.

Recruitment and Retention Risks

Turning first to BAH's arguments concerning Deloitte's approach to recruitment and retention, BAH contends that the solicitation required the agency to evaluate whether an offeror's technical approach was feasible--that is to determine the extent to which the proposed approach is workable and the end results achievable. Protest at 51-54; Comments and Supp. Protest at 44-51. BAH argues that Deloitte's approach to recruitment and retention failed to identify a cogent strategy to manage recruitment and retention, especially in light of its low proposed labor rates. *Id.* BAH alleges that the agency failed to meaningfully evaluate this aspect of Deloitte's proposal. *Id.* Instead, BAH suggests that the evaluators simply concluded that Deloitte met the requirements of the solicitation without more meaningful analysis, which was impermissible. *Id.*

When reviewing a protest of an agency's evaluation of proposals, our Office will not substitute our judgment for that of the agency; rather, we will examine the record to

that the protester proposes--an assessment of whether proposed labor rates are too low to support the proposed technical approach--is simply a price realism analysis by another name. Moreover, and more significantly, an instruction to offerors to propose, among other things, labor rates consistent with their technical approach is just that: an instruction to offerors in preparing their proposals. By contrast, the section of the RFP explaining the agency's price evaluation methodology includes no discussion of an evaluation of consistency, and it does not follow that the agency is bound to do the kind of searching evaluation the protester contemplates simply because it instructed offerors to prepare their proposals in a certain manner. *Compare* RFP at 130 (providing various instructions to offerors concerning the format and preparation of their proposals) *with* 126 (explaining the agency's price evaluation approach, which makes no mention of evaluating labor hours, consistency, or realism, except to explain that no cost realism analysis will be conducted). Accordingly, we dismiss the protester's price evaluation arguments.

determine whether the agency's judgments were reasonable and consistent with the stated evaluation criteria and applicable procurement statutes and regulations. *U.S. Textiles, Inc.*, B-289685.3, Dec. 19, 2002, 2002 CPD ¶ 218 at 2. In this regard, the evaluation of an offeror's proposal is a matter within an agency's broad discretion, since the agency is responsible for defining its needs and the best method for accommodating them. *Id.* Moreover, an agency is not required to document all "determinations of adequacy" or explain why a proposal did not receive a strength, weakness, or deficiency for a particular item. *Allied Tech. Group, Inc.*, B-412434, B-412434.2, Feb. 10, 2016, 2016 CPD ¶ 74 at 13.

Here, the protester provides no basis to conclude that the agency's evaluation was unreasonable. In this regard, Deloitte's approach to staffing, recruitment, and retention focused on the fact that Deloitte is a large organization with a large number of in-house staff with relevant experience and expertise. See AR, Tab 19, Deloitte Technical Volume at 26-28 (noting that Deloitte and its subcontractors have more than [DELETED] VA-badged staff and more than [DELETED] staff certified in relevant software as a service or platform as a service technologies). Additionally, Deloitte noted that it has established agreements with more than [DELETED] staffing agencies that further extend its recruiting reach. *Id.* Moreover, Deloitte provided significant additional details about its approach to recruitment and retention, highlighting that it has historically maintained a high rate of staff retention in government practice. *Id.*

The protester contends that the level of detail provided by Deloitte was inadequate, noting that the solicitation required offerors to explain how they would attract personnel with "skill sets across the specified functional areas." Comments and Supp. Protest at 45-46 (*citing* RFP at 129). In this regard, BAH notes that Deloitte's staffing approach was not keyed to specific performance work statement (PWS) requirements, while BAH's proposal addressed how it would staff, recruit, and retain personnel for each of the PWS's areas. *Id.* We do not read the solicitation language quoted by the protester as requiring offerors to propose a staffing plan specifically keyed to each of the PWS requirements, but rather to explain a feasible approach to attract sufficient talent across the full scope of the requirement. See RFP at 129-130. While the protester argues its proposed approach was more detailed than the awardee's approach, that does not demonstrate that the awardee's approach was deficient. Rather, the agency concluded that the protester's staffing approach exceeded the solicitation's requirements and assigned a strength for the protester's approach to staffing, while concluding the Deloitte's approach merely met the requirements of the solicitation. See AR, Tab 13, SSDD at 15-16. There is nothing unreasonable about the evaluators concluding that Deloitte's proposal outlined an acceptable and feasible approach to staffing, recruitment, and retention as required by the solicitation.

While the protester objects that the contemporaneous record includes a very limited examination of Deloitte's approach to staffing, as noted above, our Office has consistently explained that agencies need not document all determinations of adequacy. *Allied Tech. Group, Inc.*, *supra*. Here, the agency did not conclude that Deloitte's approach to staffing represented a strength or weakness but was merely adequate to

meet the requirements of the solicitation. In sum, the protester has provided no basis to question the reasonableness of the agency's conclusion that Deloitte met the requirements of the solicitation.

Consideration of Weaknesses

Next, BAH argues that the agency improperly considered several features of Deloitte's proposal to be weaknesses, when instead the agency should have considered them to be significant weaknesses or deficiencies. Protest at 54-63, Comments and Supp. Protest at 7-30. For example, the protester notes that the agency assigned one weakness to Deloitte's proposal on two separate bases. Comments and Supp. Protest at 8-13, 23-27. Specifically, the agency assigned a weakness, first, because Deloitte proposed to perform [DELETED] as part of designing software components, but such analyses were out of scope for the task order and potentially duplicated work to be performed by a different contractor. AR, Tab 14, TET Report at 2-3.

The second basis for the weakness was that Deloitte identified an uncertainty in its proposal that the agency may not agree to spend time and effort on making components reusable, and proposed a mitigation for that uncertainty to ensure reusable code could be developed. *Id.* However, the evaluators noted that it is the offeror's responsibility to use modular design to make reusable components, not the agency's, and that, while Deloitte nonetheless proposed to mitigate the uncertainty by producing reusable code, the fact that Deloitte identified this as an uncertainty reflected a lack of understanding of the requirements. *Id.* The protester contends that these faults reflect a significant lack of understanding of the requirements or take exception to the solicitation's requirements. Comments and Supp. Protest at 8-13, 23-27. Accordingly, the protester argues that either one of those faults (or both in combination) should have formed the basis for a significant weakness or deficiency. Comments and Supp. Protest at 8-13, 23-27

In response, the agency notes that the contemporaneous record reflects that while these flaws posed some risk, the agency did not view these features as creating significant or appreciable risk. Memorandum of Law (MOL) at 16-21; Supp. MOL at 8-12. For example, while Deloitte proposed to perform out of scope [DELETED] that could potentially duplicate other work, that was only a small part of Deloitte's overall technical proposal and was not central to Deloitte's approach. *Id.* Additionally, the agency explained that Deloitte's proposal was assigned a rating of "acceptable," which the SSDD explained meant that Deloitte's proposal met all the government's requirements, demonstrated at least a minimal understanding of the requirements, and proposed at least a minimally feasible approach to meeting the requirements with moderate to high risk. MOL at 32-33 (*citing* AR, Tab 13, SSDD at 6). The agency contends that even though the weaknesses assigned to Deloitte's proposal represented some risk of unsuccessful performance and reduced the agency's confidence in Deloitte's ability to successfully perform the effort, the level of risk was not significant and Deloitte's proposal was otherwise acceptable. MOL at 16-21; Supp. MOL at 8-12.

As noted above, when reviewing a protest of an agency's evaluation of proposals, our Office will not substitute our judgment for that of the agency; rather, we will examine the record to determine whether the agency's judgments were reasonable and consistent with the stated evaluation criteria and applicable procurement statutes and regulations. *U.S. Textiles, Inc., supra*. A protester's disagreement, without more, does not form the basis for us to conclude that an evaluation was unreasonable. *DynCorp International, LLC*, B-412451, B-412451.2, Feb. 16, 2016, 2016 CPD ¶ 75 at 7-8.

Here, the agency does not contest that these features of Deloitte's proposal posed some risk to Deloitte's successful performance, and the contemporaneous evaluation specifically acknowledges that these features of Deloitte's approach represented a lack of understanding of the solicitation's requirements. AR, Tab14, TET Report at 2-3. However, the agency contemporaneously considered that risk and concluded that these features of Deloitte's proposal did not represent a significant or unacceptable risk. *Id.*; AR, Tab 13, SSDD at 3-6.

For example, while Deloitte's proposal to perform [DELETED] demonstrated a lack of understanding of the requirements, it also involved Deloitte proposing to perform what is, in effect, superfluous work. While there are certainly risks associated with an offeror proposing to perform unnecessary tasks, the proposal of such additional work cannot be construed as failing to meet the minimum requirements of the solicitation as the protester suggests. In this regard, the agency reasonably concluded that this posed only a small risk to performance. Similarly, while the evaluators identified a risk associated with Deloitte's uncertainty concerning the agency's commitment to developing modular and reusable code, Deloitte nonetheless proposed to mitigate that uncertainty by using [DELETED] to produce reusable code as required by the solicitation. See AR, Tab 14, TET Report at 2-3. Additionally, the agency notes that elsewhere in Deloitte's proposal, Deloitte outlined a detailed approach to producing modular and reusable code clearly meeting the requirements of the solicitation. Supp. MOL at 9-10 (*citing* AR, Tab 19, Deloitte Technical Proposal at 5-6).

While the protester clearly believes these features of Deloitte's proposal pose a significant risk, the protester has not provided any basis to conclude that the agency's judgment was unreasonable or inconsistent with the terms of the solicitation, and the contemporaneous record suggests that the agency fulsomely considered these faults in Deloitte's proposal.³ In short, the protester invites our Office to second-guess the

³ Collaterally, the protester argues that the evaluators appeared to erroneously believe that a significant weakness could only be assigned if an offeror's entire technical approach posed a significant risk. Comments and Supp. Protest at 11-12. This mischaracterizes the agency's position. The agency does not contend that a significant risk could only be assigned if an offeror's entire technical approach posed a significant risk, but rather that the risks involved in Deloitte's weaknesses were less impactful because they related to small parts of Deloitte's overall proposal that did not jeopardize Deloitte's overall ability to meet the requirements of the solicitation. COS at 22. That is, (continued...)

agency's business judgment because the protester disagrees with the agency's assessment of risk, and we decline to do so.

Best-Value Tradeoff

Turning the protester's arguments concerning the best-value tradeoff, the protester raises three interconnected arguments. Protest at 17-24; Comments and Supp. Protest at 30-41. First, the protester contends that the SSA ignored some of the weaknesses assessed to the awardee's proposal by the TET. *Id.* Second, the protester argues that the agency failed to adequately consider the technical strengths of its proposal. *Id.* Finally, the protester argues that, despite the solicitation indicating that technical was significantly more important than price, the agency effectively made award on a lowest-priced technically acceptable basis rather than performing a best-value tradeoff as described in the solicitation. *Id.*

Source selection officials in best-value procurements have broad discretion in making price/technical tradeoffs, and the extent to which one may be sacrificed for the other is governed only by the tests of rationality and consistency with the solicitation's evaluation criteria. *PricewaterhouseCoopers LLP; IBM U.S. Federal*, B-409885 *et al.*, Sept. 5, 2014, 2014 CPD ¶ 289 at 20. Specifically, even where price is the least important factor, an agency may properly select a lower-priced, lower-rated proposal where the source selection official reasonably concludes that the price premium associated with the higher-rated, higher-priced proposal is not justified in light of the acceptable level of technical competence available at a lower price. *See, e.g., General Dynamics Info. Tech., Inc.*, B-406030, B-406030.3, Jan. 25, 2012, 2012 CPD ¶ 55 at 6-7 (noting that the extent to which technical superiority is traded for a lower price is governed only by the test of rationality and consistency).

First, the protester contends that the SSA impermissibly ignored certain weaknesses assigned by the TET. Comments and Supp. Protest at 23-27, 34-41. The protester argues that the TET's narrative for both of Deloitte's weaknesses included more than one substantive issue under each weakness, and the SSA did not substantively engage with some of the issues identified by the TET. *Id.* For example, as discussed above, the TET assigned a single weakness to Deloitte both because Deloitte proposed to conduct [DELETED] that were out of scope for this task order and because Deloitte identified an uncertainty as to whether the agency would be willing to devote sufficient time and resources to make code modular and reusable. AR, Tab 14, TET Report at 2-3. The protester notes that, while the tradeoff narrative briefly discusses the [DELETED] concern, it does not mention the TET's concern about Deloitte's uncertainty concerning code reuse and modularity. Comments and Supp. Protest at 23-27, 34-37. The protester suggests that the SSA failed to appropriately consider the significance of

the risk posed by these faults was comparatively smaller because they did not represent significant aspects of Deloitte's total technical approach, which is an unobjectionable conclusion on these facts.

this technical finding and that it was impermissible for the SSA to ignore those portions of the TET's analysis. *Id.*

First, while the protester is correct that the SSA does not discuss all of the TET's concerns in the tradeoff narrative, that is a misleading framing of the contents of the SSDD. Of note, the SSDD includes a detailed summary of the SSA's technical findings in which the SSA substantively discusses and adopts each of the TET's technical findings that the protester claims the SSA improperly ignored. AR, Tab 13, SSDD at 3-6. The SSA discussed the aspects of weaknesses that BAH claims were ignored at length, including, for example, a full paragraph discussing Deloitte's concern that the agency would not adequately support code modularity and reuse. *Id.* at 4-5. While the SSA does not rehash that entire multipage discussion of weaknesses in the tradeoff narrative a few pages later, there is no requirement for the SSA to do so; the SSDD amply documents that the SSA was aware of, considered, and adopted the TET's findings. *Id.* While the protester clearly disagrees with the weight the SSA gave to those negative findings, the SSA's consideration of these weaknesses was neither undocumented nor unreasonable.

Turning to the protester's arguments that the agency failed to adequately consider the protester's technical advantages and improperly made award to the lowest-priced, technically acceptable proposal, these arguments ignore the contemporaneous record. In this regard, we note that the SSDD included a voluminous ten-page comparison of the technical features of the protester's and awardee's proposals in which the SSA discussed the technical advantages of BAH's proposal at significant length. AR, Tab 13, SSDD at 6-17. Following this lengthy, substantive discussion of BAH's technical strengths as compared to Deloitte, the SSA concluded as follows:

Based on the comparison above, and in full consideration of the Basis for Award whereby the Technical Factor is significantly more important than the Price Factor which is significantly more important than the Veterans Involvement Factor, it is my opinion that [Deloitte's] technically Acceptable proposal, in the significantly most important factor, with its significantly lower Price, is the best value for the Government. Specifically, I have fully considered the considerable technical benefits to be gained by [BAH's] Outstanding proposal to include the Significant Strengths and Strength as fully detailed above, and have determined that these benefits and the added technical value are not worth paying the significant price premium here of 89% or \$645,476,325.82. Even with technical being the significantly most important factor, I cannot justify the price premium here, especially where [Deloitte's] technically Acceptable proposal meets the requirements and did not pose any significant technical risk to the Government.

Id. at 16-17.

In light of the fulsome contemporaneous evaluation record, we see no basis to conclude that the agency did not adequately consider the technical benefits of BAH's proposal or improperly awarded on a lowest-priced, technically acceptable basis. In short, the SSA made a business decision that she could not justify paying the "significant" 89 percent price premium associated with BAH's proposal even in light of BAH's acknowledged technical superiority. *Id.* We have consistently concluded that a source selection official may reasonably select a lower priced, lower technically rated proposal, even where price is the least important factor. See, e.g., *Systems and Proposal Eng'g Co.*, B-421494, June 7, 2023, 2023 CPD ¶ 138 (concluding that SSA did not err in selecting a lower rated and lower priced proposal even where price was the least important factor, because the SSA could not justify paying a nearly 50 percent price premium for the higher-rated proposal). Here, the protester simply disagrees with the agency's business judgment, and such disagreement provides no basis to sustain the protest.

The protest is denied.

Edda Emmanuelli Perez
General Counsel