

U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Comptroller General of the United States

Decision

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Matter of: Koniag Technology Solutions, Inc.

File: B-422819

Date: November 5, 2024

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DIGEST

1. Protest challenging the agency's decision not to conduct a price realism analysis is dismissed where the solicitation did not require a price realism analysis.

2. Protest challenging the evaluation of the task order recipient's quotation is dismissed where protester fails to establish a sufficient factual basis for its challenge.

3. Protest challenging the agency's evaluation of protester's quotation is denied where the evaluation was reasonable and in accordance with the terms of the solicitation.

4. Protest that the agency failed to conduct a proper best-value tradeoff analysis is denied where protester fails to demonstrate that the tradeoff was unreasonable. **DECISION**

Koniag Technology Solutions, Inc., a small business of Anchorage, Alaska, protests the issuance of a task order to Hunter Strategy, LLC, a small business of Pompano Beach, Florida, under request for quotations (RFQ) No. 832468507, issued by the Department of Defense, Defense Information Systems Agency for the delivery of a modern enterprise cloud services solution. The protester contends that the agency unreasonably evaluated its quotation and conducted a flawed best-value tradeoff.

We deny the protest in part and dismiss it in part.

BACKGROUND

The agency issued the solicitation on April 3, 2024, to contract holders of the General Services Administration multiple award schedule in accordance with Federal Acquisition Regulation (FAR) part 8.¹ Contracting Officer Statement and Memorandum of Law (COS/MOL) at 1. The solicitation contemplated the issuance of a fixed-price task order with a base period of 12 months and four 1-year option periods. Agency Report (AR), Tab 1, RFQ amend. 0002 at 1. The due date for quotations, as amended, was May 10, 2024. *Id.*

The solicitation provided for the evaluation of guotations based on the following evaluation factors: technical/management approach and price.² Id. at 3-4. The technical/management approach factor consisted of two subfactors: technical approach and management approach. Id. The technical approach subfactor consisted of six additional subfactor elements that referenced different subtasks of the statement of work (SOW). Id. Under subfactor 1-1, which referenced SOW subtask 6.3.1.6, vendors were to demonstrate the ability to leverage automation and scripting tools to streamline infrastructure management tasks. Id. at 3. Under subfactor 1-2, which referenced SOW subtask 6.3.2.2, vendors were to demonstrate the ability to develop software applications specifically designed to run in cloud environments. Id. Under subfactor 1-3, which referenced SOW subtask 6.4.2.4, vendors were to demonstrate the ability to create needed documentation, including an implementation guide updated as a living document, to support all authorization processes. *Id.* Under subfactor 1-4, which referenced SOW subtask 6.6.1.5, vendors were to demonstrate the ability to provide compelling and clear responses to media inquiries, media interviews, and articles for public media. Id. at 4. Under subfactor 1-5, which referenced SOW subtask 6.8.1.1, vendors were to demonstrate the ability to assist in the review and analysis of vendor provided deliverables. Id. Under subfactor 1-6. which referenced SOW subtask 6.8.6.1. vendors were to demonstrate the ability to provide joint program group support, including, among other things, coordinating with the intelligence community. Id.

¹ The agency amended the solicitation two times for various administrative edits. COS/MOL at 1. All citations are to Adobe PDF page number of the final, amended version.

² As relevant here, a rating of blue/outstanding indicated that the quotation demonstrated an exceptional approach and understanding of the requirements, contained multiple strengths or at least one significant strength, and the risk of unsuccessful performance was low. AR, Tab 1f, RFQ attach. 6--Evaluation Tables at 1. A rating of purple/good indicated that the quotation indicated a thorough approach and understanding of the requirements, contained at least one strength or significant strength, and the risk of unsuccessful performance was low to moderate. *Id.* A rating of green/acceptable indicated an adequate approach and understanding of the requirements, and the risk of unsuccessful performance was no worse than moderate. *Id.*

Under the management approach subfactor, the agency would evaluate the vendor's recruiting, interviewing, and hiring processes. *Id.* Under the price factor, vendors were to submit pricing for the base period and all option periods. *Id.* The agency would evaluate quotations to ensure that pricing was reasonable and complete. *Id.* The solicitation further provided that the agency may, but was not required to, conduct a price realism analysis. *Id.*

The agency would evaluate quotations on a best-value tradeoff basis where the technical subfactor elements were of equal importance and the technical/management approach factor was more important than price. *Id.* at 3-4. The agency received eight quotations by the due date for receipt of quotations, including quotations from Koniag and Hunter. AR, Tab 3, SRD (Selection Recommendation Document) at 1. The results of the evaluation were as follows:

	Koniag	Hunter
Technical Approach Subfactor 1-1, SOW subtask 6.3.1.6	Green/Acceptable	Green/Acceptable
Technical Approach Subfactor 1-2, SOW subtask 6.3.2.2	Green/Acceptable	Purple/Good
Technical Approach Subfactor 1-3, SOW subtask 6.4.2.4	Purple/Good	Purple/Good
Technical Approach Subfactor 1-4, SOW subtask 6.6.1.5	Purple/Good	Green/Acceptable
Technical Approach Subfactor 1-5, SOW subtask 6.8.1.1	Green/Acceptable	Green/Acceptable
Technical Approach Subfactor 1-6, SOW subtask 6.8.6.1	Green/Acceptable	Purple/Good
Management Approach Subfactor	Purple/Good	Purple/Good
Price	\$99,667,854	\$81,661,194

AR, Tab 5, Unsuccessful Vendor Letter at 1. Additionally, the agency assigned Koniag's quotation one strength and two significant strengths.³ *Id.* at 3-5. Specifically, the agency assigned Koniag's quotation a strength under subfactor 1-3 for Koniag's ability to create [DELETED], a significant strength under subfactor 1-4 for its proven capability in [DELETED], and a second significant strength under the management approach subfactor for its [DELETED], and ability to provide [DELETED]. *Id.* at 3, 5.

In conducting the tradeoff analysis, the agency explained that although the quotations submitted by Koniag and Hunter "received distinctly higher ratings" than the remaining quotations, Hunter's quotation represented the best value to the agency. AR, Tab 3, SRD at 37. Specifically, the agency concluded that Hunter's quotation had both a superior rating under the technical/management approach factor and significant cost savings. *Id.* Accordingly, the agency selected Hunter's quotation for award. AR, Tab 5, Unsuccessful Vendor Letter at 5.

The agency notified Koniag of the award on July 30, 2024. *Id.* at 1. This protest followed.

DISCUSSION

Koniag, the incumbent contractor for the services, challenges the agency's failure to conduct a price realism analysis as well as the agency's evaluation of quotations under the technical approach and management approach subfactors. Protest at 7-13. Koniag also alleges that the agency's best-value tradeoff decision was unreasonable. *Id.* at 14. For reasons discussed below, we deny the protest in part and dismiss it in part.⁴

Challenge to the Agency's Failure to Conduct a Price Realism Analysis

Koniag first challenges the agency's failure to conduct a price realism analysis, arguing that the price disparity between its quotation and Hunter's quotation should have indicated to the agency that "something was amiss." Protest at 7-8. Prior to the filing of the agency report, the intervenor requested dismissal of this argument on the basis that the solicitation did not require a price realism analysis, and therefore, the argument failed to state a valid basis of protest. Intervenor's Req. for Dismissal at 2. We agree with the intervenor.

³ A strength is an aspect of a quotation "with merit or will exceed specified performance or capability requirements to the advantage of the [g]overnment during contract performance." AR, Tab 1f, RFQ attach. 6--Evaluation Tables at 1. A significant strength is an aspect of a quotation "with appreciable merit or will exceed specified performance or capability requirements to the considerable advantage of the [g]overnment during contract performance." *Id.*

⁴ Although we do not address every argument raised by the protester, we have considered them all and find none to be meritorious.

In this regard, when awarding a fixed-price task order, an agency is required only to determine whether the offered prices are fair and reasonable. See Leidos Inc.; Booz Allen Hamilton Inc., B-421524 et. al., June 20, 2023, 2023 CPD ¶ 157 at 5. An agency may, however, conduct a price realism analysis in awarding a fixed-price task order if the solicitation expressly provides for a price realism analysis. Id. A solicitation that provides an agency "may" conduct a price realism analysis, such as the RFQ here, does not commit the agency to do so; rather, it reserves the decision to the agency's discretion. Id. Because the solicitation here did not mandate a price realism analysis, Koniag's argument that the agency was required to perform one fails to state a valid basis of protest. See RFQ amend. 0002 at 4. Accordingly, we dismiss this protest ground.

Challenge to the Evaluation of Hunter's Quotation

Koniag also argues that the agency unreasonably evaluated Hunter's quotation under the management approach and technical approach subfactors. Protest at 11-13. Specifically, Koniag argues that its status as the incumbent, as well as its own investigation into what it believes Hunter could have proposed, indicate that the agency's evaluation of Hunter's quotation must have been unreasonable. *See id.* Hunter requested dismissal of Koniag's challenge as based on unsupported speculation arguing the protester had no reasonable basis to claim the evaluation was unreasonable. Intervenor's Req. for Dismissal at 3-8. Again, we agree with the intervenor.

In this regard, our Bid Protest Regulations require that a protest include a sufficiently detailed statement of the grounds supporting the protest allegations. 4 C.F.R. §§ 21.1(c)(4), 21.1(f), and 21.5(f). That is, a protest must include sufficient factual bases to establish a reasonable potential that the protester's allegations may have merit; bare allegations or speculation are insufficient to meet this requirement. Ahtna Facility Servs., Inc., B-404913, B-404913.2, June 30, 2011, 2011 CPD ¶ 134 at 11. Unsupported assertions that are mere speculation on the part of the protester do not provide an adequate basis for protest. Science Applications Int'l Corp., B-265607, Sept. 1, 1995, 95-2 CPD ¶ 99 at 2. Here, Koniag's allegations fail to reasonably support a conclusion that the agency's evaluation was improper. For example, as the primary support for its allegation that the agency misevaluated Hunter's technical approach, Koniag contends that the awardee could not have demonstrated the same incumbent advantages provided by Koniag. This may undoubtedly be true because Hunter is not the incumbent, however, the evaluation of proposals was not based on the features of Koniag's proposal but rather the terms of the solicitation, which did not establish incumbency, let alone Koniag's proposal, as a basis for evaluation. Because the factual predicate used to support Koniag's allegations fail to establish a sufficient basis for protest, we dismiss the arguments.

Challenge to the Evaluation of Koniag's Quotation

Koniag next challenges the agency's evaluation of its own quotation. As an initial matter, 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. In reviewing a protest of an agency's evaluation of quotations, it is not our role to reevaluate quotations; rather, our Office will examine the record to determine whether the agency's judgment was reasonable and consistent with the solicitation criteria. *Id.* A vendor's disagreement with the agency, without more, does not render the evaluation unreasonable. *Id.*

Koniag challenges the agency's evaluation of its quotation under the management approach subfactor, arguing that the agency "ignored . . . obvious strengths" in its quotation. Protest at 8. More specifically, Koniag contends that the agency bundled numerous "accolades," such as its approach to [DELETED], [DELETED], and [DELETED], as one significant strength instead of multiple strengths/significant strengths. *Id.* at 9. Had the agency properly assigned multiple strengths/significant strengths here, Koniag argues that its quotation would have received a rating of blue/outstanding instead of purple/good. *Id.* In response, the agency argues that it reasonably evaluated Koniag's quotation under this subfactor. COS/MOL at 16-18. Although Koniag contends that the agency bundled multiple accolades into one significant strength, the agency points out that these features warranted a significant strength only when taken as a whole. *Id.* at 18. In other words, it was not the individual features alone, but the sum total of those features, that warranted a significant strength. *See id.*

Based on the record, we have no basis to object to the agency's evaluation here. Under the management approach subfactor, vendors were to demonstrate the ability to provide fully trained, high-quality personnel on day one of the contract and describe their approach to backfilling positions. RFQ amend. 0002 at 4. In evaluating Koniag's quotation under this subfactor, the evaluators concluded that Koniag's commitment to provide [DELETED] "far exceed[ed]" the requirement. AR, Tab 3, SRD at 14. The evaluators further noted other areas of Koniag's approach that were beneficial in ensuring this transition and effective filling of positions, such as [DELETED] and [DELETED]. Id. Although Koniag argues that these additional aspects referenced by the agency warranted separate strengths/significant strengths, Koniag has not demonstrated how these aspects, standing alone, exceeded the agency's requirements in a way that was advantageous to the agency. Instead, the record supports the agency's position that these features, when taken as a whole, worked together to promote effective transitions and filling positions in a way that is advantageous to the agency whereas the individual parts of this approach would not necessarily reach this same degree of benefit on their own.

Koniag argues that the agency unreasonably failed to assign its quotation "several strengths" under technical subfactor 1-1. Protest at 9. Specifically, Koniag contends that its quotation should have received one strength for its experience in providing

"automation-driven solutions" for numerous government programs and another strength for its experience with cloud computing. *Id.* According to Koniag, if the agency had properly considered these aspects of Koniag's quotation, it would have assigned the quotation a rating of at least purple/good. *Id.* The agency raises two arguments in response to this protest ground. *See* COS/MOL at 18-20. First, the agency points out that experience was not a consideration under this subfactor. *Id.* at 19. Second, the agency argues that Koniag has not shown how these aspects of its quotation exceeded the requirements in a way that was advantageous to the agency. *Id.* at 19-20.

As relevant here, subfactor 1-1 required vendors to demonstrate their ability to use automation and scripting tools to streamline infrastructure management tasks. RFQ amend. 0002 at 3. This subfactor further provided that the agency would evaluate the vendor's ability to automate repetitive tasks to enable better scalability of cloud infrastructures. *Id.* We agree with the agency that this subfactor did not provide for the consideration of a vendor's prior experience with cloud computing; it provided only for the evaluation of the vendor's technical approach in this regard. *See id.* Koniag's argument that the agency should have assigned its quotation two strengths for its experience in providing automation-driven solutions and its experience with cloud computing is unsupported by the evaluation criteria. Additionally, Koniag does not explain how these areas of its quotations met the definition of a strength. As such, this protest ground is denied.

Koniag next argues that the agency unreasonably failed to assign its quotation a strength under technical subfactor 1-2. Protest at 10. Specifically, Koniag contends that the agency overlooked the benefits of its approach to create [DELETED] as well as its proposed [DELETED] to develop [DELETED]. *Id.* Koniag argues that if the agency had properly considered these areas of its quotation, it would have assigned the quotation a strength and a rating of purple/good or higher under this subfactor. *Id.* In response, the agency contends that it evaluated these areas of Koniag's quotations and concluded that they merely met the requirements. COS/MOL at 21.

We have no basis to object to the agency's evaluation here as Koniag has not demonstrated how these referenced aspects of its quotation warranted a strength. As mentioned above, subfactor 1-2 required vendors to demonstrate their ability to develop software applications specifically designed to run in cloud environments. RFQ amend. 0002 at 3. In support of its claim that its quotation should have received a strength under this subfactor, Koniag argues that proposing to [DELETED] added value to its approach. Comments at 8. Similarly, Koniag contends that [DELETED] would ensure successful performance. *Id.* Although Koniag argues that these features reflect a "value add" to Koniag's technical approach, *see id.*, it does not follow that this purported added value would exceed the requirements in a way advantageous to the agency. Instead, [DELETED] are, as the agency points out, "routine tasks" that are fundamental to any software development requirement. *See* AR, Tab 7, Declaration of Engineering Division Chief at 3. Accordingly, this protest ground is denied.

Koniag next argues that the agency should have assigned its quotation an additional strength under technical subfactor 1-3. Protest at 10. Specifically, Koniag contends that the agency ignored the fact that its approach under this subfactor proposed to [DELETED], which would identify [DELETED]. *Id.* The agency responds that this protest ground should be denied for two reasons. *See* COS/MOL at 21-22. First, the agency argues that this protest ground references section 6.4.2.2. of the SOW instead of section 6.4.2.4., which was the section evaluated under this subfactor. *Id.* at 22. Second, the agency argues that, in any event, this proposed approach merely met the requirements of section 6.4.2.2. and therefore, failed to meet the requirements for a strength. *Id.*

We have no basis to sustain this protest ground. Technical subfactor 1-3 expressly referenced section 6.4.2.2. of the SOW, which required vendors to demonstrate their ability to create needed documentation, including an implementation guide updated as a living document, to support all authorization processes. RFQ amend. 0002 at 3. In its protest, Koniag argues that its quotation deserved a strength under this subfactor because it proposed to [DELETED]. Protest at 10. As the agency points out, this statement references section 6.4.2.2. of the SOW, which provided that a task under this contract may require vendors to "[s]upport the evaluation of security controls." AR, Tab 1a, SOW at 12. Koniag's quotation would appear to, at most, meet the requirements of task area 6.4.2.2., which was separate from the task area referenced for this subfactor. Meeting the requirements in one task area does not satisfy the solicitation's definition for a strength.

In its final challenge to the technical evaluation, Koniag argues that the agency should have assigned its quotation a rating higher than green/acceptable under technical subfactor 1-6. Protest at 10. In challenging this area of the evaluation, Koniag contends that the agency "ignored the fact" that its proposed personnel had experience in the intelligence community, which according to Koniag, would promote quicker and more efficient communications between the various intelligence community organizations. *Id.* Koniag also argues that the agency should have considered its rating of Koniag's performance on the incumbent contract as exceptional. *Id.* The agency responds that our Office should deny this protest ground because Koniag, in essence, argues that the agency should have considered its past performance, which was outside the evaluation criteria for this procurement. COS/MOL at 22.

We agree with the agency that this protest ground provides no basis to sustain the protest. Under this subfactor, the solicitation provided that the agency would evaluate a vendor's ability to facilitate collaboration and coordination with the intelligence community. RFQ amend. 0002 at 4. As the agency points out, this evaluation criterion does not include a consideration of the vendor's past performance. Rather, it requires the vendor to demonstrate this ability through its technical approach. *See id.* The agency properly did not award Koniag's quotation a strength here based on its purported success on past efforts. This protest ground is denied.

Challenge to the Best-Value Tradeoff

Koniag argues that the best-value tradeoff decision was flawed because the agency applied "a harsher lens" in evaluating Koniag's quotation than it did with Hunter's quotation. Protest at 14. In this regard, Koniag argues that its quotation had a "natural and not impermissible advantage" under the management approach subfactor. *Id.* It also argues that its quotation should have received a higher rating under the technical approach subfactor because Koniag received a Contractor Performance Assessment Reporting System (CPARS) rating of "[e]xceptional" in all areas for its performance on the incumbent contract. *Id.* Koniag contends that, in contrast, Hunter's quotation received a rating of superior under the technical approach subfactors despite public information suggesting that such ratings were not warranted. *Id.*

Source selection officials have broad discretion in determining the manner and extent to which they will make use of the technical and price evaluation results, and their judgments are governed only by the tests of rationality and consistency with the stated evaluation criteria. *Integrity Management Consulting, Inc.*, B-418776.5, June 22, 2021, 2021 CPD ¶ 245 at 10. In reviewing an agency's source selection decision, we examine the record to determine if it was reasonable and consistent with the evaluation criteria and applicable procurement statutes and regulations. *Id.*

Koniag's challenge to the best-value tradeoff decision is derivative of its earlier protest grounds that we have either dismissed or denied. Accordingly, we deny this challenge as it presupposes unproven agency errors and thus, does not establish an independent basis of protest. Additionally, Koniag's argument that its quotation should have received a higher technical rating because it received a CPARS rating of exceptional for the incumbent contract is likewise without merit as it seeks to have the agency consider Koniag's past performance, which was not an evaluation factor in this procurement. This protest ground is also denied.

The protest is denied in part and dismissed in part.

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