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# Decision

**Matter of:** Cloud Alliance, Inc.

**File:** B-422884

**Date:** December 3, 2024

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## DIGEST

1. Protester's various challenges to the agency's evaluation of quotations under nonprice factors are denied where the record reasonably supports the agency's evaluation judgments and conclusions.
  2. Protest challenging the agency's source selection decision is denied where the benefits documented by the agency reasonably justified the awardee's higher price and where the underlying evaluation was reasonable.
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## DECISION

Cloud Alliance, Inc., an 8(a) small business of Tysons Corner, Virginia, protests the establishment of a blanket purchase agreement (BPA) with Cherokee Nation Systems Solutions, LLC (CNSS), an 8(a) small business of Tulsa, Oklahoma, under request for quotations (RFQ) No. 1305M224Q0046, issued by the Department of Commerce, National Oceanic and Atmospheric Administration (NOAA) for information technology (IT) support services.<sup>1</sup> The protester challenges various aspects of the agency's

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<sup>1</sup> Section 8(a) of the Small Business Act, 15 U.S.C. § 637(a), authorizes the Small Business Administration to enter contracts with government agencies and to arrange for performance through subcontracts with socially and economically disadvantaged small business concerns. Federal Acquisition Regulation (FAR) 19.800.

evaluation of the vendors' quotations under the nonprice factors, as well as the source selection decision.

We deny the protest.

## BACKGROUND

NOAA's National Centers for Coastal Ocean Science (NCCOS) conducts and supports research, monitoring, assessments, and technical assistance to meet the agency's coastal stewardship and management responsibilities. Agency Report (AR), Tab 1a, Performance Work Statement (PWS) at 1. The RFQ sought a contractor to provide comprehensive IT support services to the NCCOS, including integration and operation of IT infrastructure, IT security, database administration, and application and website development. *Id.* at 2.

GSA issued the RFQ as a set aside for 8(a) small businesses<sup>2</sup> on April 10, 2024, under the General Services Administration's Federal Supply Schedule, using FAR subpart 8.4 procedures.<sup>3</sup> AR, Tab 1, RFQ at 1; Contracting Officer's Statement (COS) at 1. The RFQ contemplated the establishment of a BPA with a 1-year base period and four 1-year option periods. RFQ at 1-2.

The RFQ provided that the agency would establish a BPA with the vendor whose quotation was most advantageous to the agency, price and other factors considered. RFQ amend. 1 at 7. The RFQ established that the agency would evaluate quotations using the following factors, listed in descending order of importance: corporate experience, technical approach, management approach, and price. *Id.* at 8-9. The RFQ stated that the agency would not select a quotation with a significantly higher price to achieve a slightly superior technical capability, and price would become more important as quotations approached equality under the nonprice factors. *Id.* at 7-8.

For the corporate experience factor, the RFQ provided that NOAA would evaluate the vendor's background, experience, and qualifications, particularly experience with optimization of services through the use of shared and cloud service delivery. RFQ amend. 1 at 8. The RFQ stated that the evaluation under the technical approach factor would assess the agency's confidence in the vendor's understanding of and ability to perform PWS section 3, which described the RFQ's scope of services. *Id.* Lastly, for

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<sup>2</sup> Section 8(a) of the Small Business Act, 15 U.S.C. § 637(a), authorizes the Small Business Administration to enter into contracts with government agencies and to arrange for the performance through subcontracts with socially and economically disadvantaged small business concerns. FAR 19.800. Firms participating in this program are commonly referred to as "8(a)" contractors.

<sup>3</sup> The agency issued one amendment to the RFQ on April 24. The amendment provided responses to vendors' questions, and it revised the price schedule, instructions, evaluation criteria, and labor crosswalk. AR, Tab 2, RFQ amend. 1.

the management approach factor, the RFQ directed vendors to address their ability to recruit and retain a qualified workforce, including a description of the corporate policy for benefits and continuing education. *Id.* at 6.

On May 1, 2024, the agency received four timely quotations, including quotations from Cloud Alliance and CNSS. COS at 5. NOAA evaluated the quotations of the protester and awardee as follows:

	CNSS	Cloud Alliance
<b>Corporate Experience</b>	High Confidence	High Confidence
<b>Technical Approach</b>	Some Confidence	Some Confidence
<b>Management Approach</b>	High Confidence	High Confidence
<b>Overall Rating</b>	High End of High Confidence	High Confidence
<b>Evaluated Price</b>	\$9,745,683	\$8,730,688

AR, Tab 6, Award Recommendation at 2.

In evaluating Cloud Alliance’s quotation under the corporate experience factor, the technical evaluation team (TET) identified two aspects of Cloud Alliance’s quotation that increased the agency’s confidence in the vendor’s ability to successfully perform the work; specifically, Cloud Alliance’s experience supporting NOAA’s IT operations and management under a different contract,<sup>4</sup> as well as the experience of Cloud Alliance’s proposed subcontractor on the incumbent contract.<sup>5</sup> AR, Tab 13, TET Report at 4.

As relevant here, in evaluating Cloud Alliance’s quotation under the technical approach factor, the agency identified an aspect of the quotation that decreased the agency’s confidence, specifically, Cloud Alliance’s focus on prior experience instead of the technologies it would use to meet the agency’s requirements. AR, Tab 13, TET Report at 5. The TET wrote:

On page 21 of their Technical Approach, Cloud Alliance spoke to their experience with Programmatic and Scientific support. Cloud Alliance’s write up was based on experience of an incumbent from three to four years ago; however, since then, NCCOS priorities and technical approaches have advanced to newer and more cost effective approaches. These new approaches were implemented by the Government rather than

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<sup>4</sup> In the evaluation of quotations under the nonprice factors, the agency categorized negative findings as decreases in confidence and positive findings as increases in confidence. See AR, Tab 13, TET Report at 4-7.

<sup>5</sup> In evaluating CNSS’s quotation under the corporate experience factor, the agency assigned the quotation five increases in confidence, including an increase in confidence for the experience of CNSS’s proposed subcontractor. AR, Tab 13, TET Report at 6.

Cloud Alliance and its teaming partner and included capabilities such as Azure Machine Learning Studio. The Cloud Alliance quote did not address leveraging these new technologies. This decreases the Government's confidence that Cloud Alliance will be well positioned to have the flexibility and ability to adapt with changes in NCCOS priorities in advancing technologies.

*Id.*<sup>6</sup>

As also relevant here, under the management approach factor, the TET assigned a decrease in confidence to Cloud Alliance's quotation because the protester proposed to provide \$[DELETED] per year for tuition reimbursement for continuous learning, and the TET found that many courses exceed \$[DELETED]. AR, Tab 13, TET Report at 5. The TET stated that personnel may be discouraged from seeking learning opportunities. *Id.*

The TET assigned the protester's quotation an overall rating of high confidence. AR, Tab 13, TET Report at 4. The TET assigned CNSS's quotation an overall rating of high end of high confidence and explained the basis for the rating as follows:

The Government determined that CNSS' quote is on the high end of High Confidence because of the extensive Corporate Experience demonstrated and only one area of decreased confidence. The one area of decreased confidence will require a limited level of Government intervention and oversight at the onset of award. However, the proposed alignment of [DELETED] to the tasks outlined in PWS Section 3.2 increases the Government's confidence that CNSS will be able to successfully provide the services outlined in PWS Section 3.2.

*Id.* at 12.<sup>7</sup>

The TET recommended that NOAA establish the BPA with CNSS. AR, Tab 13, TET Report at 13; AR, Tab 6; Tradeoff Analysis at 1. The TET acknowledged that Cloud Alliance proposed a lower price, but the TET wrote that the benefits of CNSS's quotation under the nonprice factors "significantly outweigh the potential cost savings"

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<sup>6</sup> In contrast, the TET assessed CNSS's quotation an increase in confidence because the quotation "describe[ed] how they will utilize the latest technologies in [DELETED] and [DELETED] while leveraging [DELETED] when available." AR, Tab 13, TET Report at 7.

<sup>7</sup> The decrease in confidence was assigned under the technical approach factor, and the TET provided the following explanation for it: "CNSS's quote was written at a very high level, which while it did address Government most requirements, CNSS's quote did not provide enough detail on how they would address PWS sections 3.2.1 and 3.2.2. This gap decreases the Government's confidence of successful performance in this area without Government oversight." AR, Tab 13, TET Report at 7.

offered by the protester. AR, Tab 6, Tradeoff Analysis at 1. In making the recommendation, the TET compared the quotations of Cloud Alliance and CNSS under the nonprice factors. *Id.* at 3-5. The TET found that CNSS's quotation offered higher performance capabilities, including CNSS's experience with the architecture that the agency intends to implement, CNSS's prior work with the NOAA enterprise platform as a service, and CNSS's proposed utilization of [DELETED]. *Id.* at 4. The TET determined that these advantages warranted paying a 12 percent price premium to select CNSS's quotation. *Id.*

The source selection authority (SSA) conducted an assessment of the vendors' quotations and agreed with the TET's recommendation to establish the BPA with CNSS. AR, Tab 7, Source Selection Decision (SSD) at 27; see *also* COS at 11-14.

NOAA established the BPA with CNSS on August 23, 2024, and provided the protester with a brief explanation of award on August 24. COS at 14. This protest followed.

## DISCUSSION

Cloud Alliance challenges the agency's evaluation of the vendors' quotations under the nonprice factors and the source selection decision. The protester has raised various arguments, including ones that are in addition to, or variations of, those discussed below. While we do not specifically address every argument, we have fully considered all of them and find that they afford no basis on which to sustain the protest.<sup>8</sup>

At the outset, we note that where, as here, an agency issues an RFQ to vendors under FAR subpart 8.4 and conducts a competition for the issuance of an order or establishment of a BPA, we will review the record to ensure that the agency's evaluation was reasonable and consistent with the terms of the solicitation and applicable procurement laws and regulations. *ARC Relocation, LLC*, B-416035.2, B-416035.3, Nov. 22, 2019, 2019 CPD ¶ 407 at 8. The evaluation of vendors' technical quotations is

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<sup>8</sup> For example, the protester complains that NOAA used an unstated adjectival rating when it assigned CNSS's quotation an overall rating of high end of high confidence because that rating was not presented in the RFQ. Comments at 15-16. Our Office has stated that evaluation ratings, be they numerical, adjectival, or color, are merely guides for intelligent decision making in the procurement process. See, e.g., *Raytheon Blackbird Techs., Inc.*, B-417522, B-417522.2, July 11, 2019, 2019 CPD ¶ 254 at 6 n.3; *Burchick Constr. Co.*, B-400342.3, April 20, 2009, 2009 CPD ¶ 102 at 4-5. The essence of an agency's evaluation is reflected in the evaluation record itself--not the adjectival ratings used--and the relevant question is whether the underlying evaluation was reasonable. *Betty Foster Roofing, LLC*, B-419573.2, June 17, 2021, 2021 CPD ¶ 232 at 11. As discussed herein, Cloud Alliance has not shown that the agency's evaluation of CNSS's quotation was unreasonable. Accordingly, we deny this protest allegation. See *Affolter Constr. Co.*, B-410878, B-410878.2, March 4, 2015, 2015 CPD ¶ 101 at 12 n.12 (denying argument that agency's assessment of a "somewhat not relevant" rating constituted unstated evaluation criteria).

a matter within the agency's discretion, and GAO will not perform its own technical evaluation, or substitute its judgment for that of the procuring agency. *Appsential, LLC*, B-419046 *et al.*, Jan. 22, 2021, 2021 CPD ¶ 63 at 10; *Metropolitan Interpreters & Translators, Inc.*, B-415080.7, B-415080.8, May 14, 2019, 2019 CPD ¶ 181 at 6. Rather, GAO will examine the record to determine whether the agency's judgments were reasonable and consistent with the solicitation's stated evaluation criteria and applicable procurement statutes and regulations. *Appsential, supra*. A protester's disagreement with the agency's judgments, without more, does not establish that an evaluation was unreasonable. *Id.*

### Unequal Treatment Under the Technical Approach Factor

Cloud Alliance alleges that NOAA evaluated the vendors' quotations unequally under the technical approach factor. Comments at 7-8; Supp. Comments at 5-9. The protester's allegation is premised on the notion that the TET assessed the protester's quotation a decrease in confidence and CNSS's quotation an increase in confidence based on the experience of the vendors' proposed subcontractors, and because the subcontractors had similar incumbent experience, it was unreasonable for NOAA to reach different conclusions. Comments at 9-10. The agency responds that the evaluation findings were not based on the experience of the vendors' proposed subcontractors--as the protester alleges--but were based on the vendors' descriptions of how they would leverage technologies during performance. Supp. Memorandum of Law (MOL) at 5.

In conducting procurements, agencies may not generally engage in conduct that amounts to unfair or disparate treatment of competing vendors. *Arc Aspicio, LLC et al.*, B-412612 *et al.*, Apr. 11, 2016, 2016 CPD ¶ 117 at 13. Where a protester alleges unequal treatment in a technical evaluation, it must show that the differences in ratings did not stem from differences between the vendors' quotations. *ARC Relocation, supra* at 7.

As an initial matter, we reject the protester's assertion that the TET's evaluation findings under the technical approach factor were premised on the experience of proposed subcontractors.<sup>9</sup> The record demonstrates that the TET assessed a decrease in

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<sup>9</sup> We note that the protester repeatedly conflates the evaluation factors in its submissions to our Office. For example, Cloud Alliance complains that NOAA evaluated the vendors' quotations disparately under the corporate experience factor because--according to the protester--NOAA favored the experience of CNSS's proposed subcontractor and disfavored the experience of Cloud Alliance's subcontractor when the companies performed similar work. Comments at 2-6, 16-17; Supp. Comments 2-5. However, to support its allegation of unequal treatment under the corporate experience factor, the protester points to the TET's findings under the *technical approach factor*. Comments at 4-5. As an initial matter, the protester fails to demonstrate how the agency's evaluation under a different factor could establish

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confidence to Cloud Alliance's quotation under the technical approach factor because the protester's quotation focused on its performance under prior and current contracts, and the TET was looking for information about how the vendor would leverage technologies in the future, *i.e.*, its approach going forward. AR, Tab 11, TET Decl. at 2-3; AR, Tab 13, TET Report at 5. Although the TET referenced the protester's reliance on its prior experience in the evaluation report, the basis for the decrease in confidence was the protester's failure to provide sufficient detail about how new technologies would be used. AR, Tab 11, TET Member Decl. at 2; AR, Tab 13, TET Report at 5 ("The Cloud Alliance quote did not address leveraging these new technologies. This decreases the Government's confidence that Cloud Alliance will be well positioned to have the flexibility and ability to adapt with changes in NCCOS priorities in advancing technologies.").

On the other hand, the TET assessed CNSS's quotation an increase in confidence after finding that CNSS described how it would utilize the latest technologies and leverage [DELETED]. AR, Tab 13, TET Report at 7. The experience of CNSS's proposed subcontractor was not the basis for the increase in confidence. The protester has not demonstrated that its quotation addressed how it would leverage new technologies. Accordingly, we find the differences in the evaluation findings were the result of differences in the quotations, and we deny the allegation of unequal treatment.<sup>10</sup> *ARC Relocation, supra* at 7.

#### Alleged Application of Unstated Criteria Under the Management Approach Factor

As noted above, in the evaluation of Cloud Alliance's quotation under the management approach factor, the agency assessed a decrease in confidence because Cloud Alliance proposed \$[DELETED] for an annual tuition reimbursement, and the TET found the amount was insufficient and could discourage employees from using the benefit. AR, Tab 13, TET Report at 5. The protester argues that the TET applied unstated evaluation criteria because the RFQ did not address tuition reimbursement. Protest at 10-11; Comments at 11-13. The protester also asserts that the decrease in

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unequal treatment under the corporate experience factor--a factor under which both quotations received the highest rating and no decreases in confidence. AR, Tab 13, TET Report at 4, 6. Additionally, as discussed herein, we find no evidence of disparate treatment under the technical approach factor. We deny this protest ground.

<sup>10</sup> Additionally, while the protester challenges the assessment of this decrease in confidence, the protester has not shown that the TET's conclusion was unreasonable. Protest at 11-14. Rather, in its rebuttal of the decrease in confidence, the protester points to language from its quotation that discusses projects Cloud Alliance and its proposed subcontractor have supported and are currently supporting. Protest at 12-13 (*quoting* AR, Tab 3a, Cloud Alliance Quotation at 21). The protester does not identify any language addressing how it will leverage new technologies to meet the agency's requirements. The protester's arguments constitute disagreement with the agency's judgments, and we deny this allegation. *See Appsential, supra*.

confidence is unreasonable because NOAA has not substantiated its position that a \$[DELETED] reimbursement is insufficient. Comments at 12. The agency responds that the protester's tuition reimbursement policy was within the scope of the management approach factor criteria, which included assessing the vendor's approach to benefits and continuing education. MOL at 12 (*quoting* RFQ amend. 1 at 6). The agency also states that the evaluators used their common sense and personal knowledge in assessing the sufficiency of the proposed tuition reimbursement. *Id.* at 13.

As a general matter, while a solicitation must disclose evaluation factors, it need not specifically identify every element an agency may consider during an evaluation where such elements are intrinsic to, or reasonably subsumed within, the stated factors. *Appsential, supra* at 13. When a protester challenges an evaluation as unfairly utilizing unstated evaluation criteria, our Office will assess whether the solicitation reasonably informed offerors of the basis for the evaluation. *ERP Servs., Inc.*, B-419315, Feb. 24, 2021, 2021 CPD ¶ 85 at 3.

The record here provides no basis to sustain this protest ground. As NOAA notes, for the management approach factor, the RFQ instructed offerors to "describe their corporate policy in terms of human resources, benefits, insurance, leave policy, and *continuing education*." RFQ amend. 1 at 6 (emphasis added). The RFQ provided that the agency would evaluate the vendor's ability to recruit and retain a qualified workforce. *Id.* at 9. We find the amount offered to personnel for tuition reimbursement is encompassed by the RFQ's stated requirements because it directly relates to the evaluation of the protester's approach to providing continuing education support for its employees. See *nou Systems, Inc.*, B-421225, Dec. 22, 2022, 2023 CPD ¶ 10 at 6 (agency did not apply unstated criteria when the requirements were logically encompassed by the evaluation criteria).

We also find no basis to object to the members of the TET relying on their personal knowledge in assessing the sufficiency of the reimbursement proposed by the protester. Our Office repeatedly has concluded that while an agency is not required to consider extrinsic information in the context of a technical evaluation, an agency's evaluation is not limited to the four corners of a vendor's quotation. *Strategic Operational Sols., Inc.*, B-420159 *et al.*, Dec. 17, 2021, 2021 CPD ¶ 391 at 6. An agency may choose to rely upon other extrinsic information of which it is aware. See *e.g.*, *Interfor US, Inc.*, B-410622, Dec. 30, 2014, 2015 CPD ¶ 19 at 6-7 (finding that agency reasonably relied on evaluators' personal knowledge of the awardee's proposed subcontractors in the evaluation of the awardee's technical proposal); *Park Tower Mgmt., Ltd.*, B-295589, B-295589.2, March 22, 2005, 2005 CPD ¶ 77 at 6 (finding nothing improper about agency's consideration of its direct knowledge of the job performance of incumbent personnel that an awardee proposed to hire, despite that information not being within the four corners of the awardee's proposal). Here, we find nothing improper about NOAA's consideration of its knowledge of the cost of professional education courses and whether the protester's proposed \$[DELETED] reimbursement was sufficient.



## Source Selection Decision

Cloud Alliance challenges the agency's best-value decision, arguing that it was unreasonable to select CNSS's quotation because the protester offered a lower price, and its quotation had essentially equal ratings. Protest at 8. The protester argues that CNNS's quotation is not significantly superior and therefore does not warrant paying a price premium. Comments at 11.

When, as here, a procurement conducted pursuant to FAR subpart 8.4 provides for source selection on a best-value tradeoff basis, it is the function of the SSA to perform a price/technical tradeoff, that is, to decide whether one quotation's technical superiority is worth its higher price. *Professional Analysis, Inc.*, B-419239, B-419239.2, Jan. 8, 2021, 2021 CPD ¶ 50 at 8. Agency officials have broad discretion in determining the manner and extent to which they will make use of the technical and price evaluation results, and the extent to which one is sacrificed for the other is governed by the test of rationality and consistency with the solicitation's established evaluation scheme. *Recogniti, LLP*, B-410658, Jan. 21, 2015, 2015 CPD ¶ 49 at 6. An agency may properly select a more highly rated quotation over one offering a lower price where it reasonably has concluded that the technical superiority outweighs the price difference. *Id.*; see also *Guidehouse LLP*, B-419336 *et al.*, Jan. 21, 2021, 2021 CPD ¶ 60 at 17.

Based on our review of the record, we conclude that NOAA's source selection decision was reasonable and in accordance with the terms of the RFQ. The record shows that the SSA considered the underlying evaluation and provided a well-reasoned basis for a tradeoff that considered the advantages provided by CNSS's quotation and justified paying CNSS's higher price. AR, Tab 7, SSD at 23-27. The SSA identified several aspects of CNSS's quotation that result in a higher performance capability, including CNSS's relevant experience with the agency, its experience with the agency's preferred architecture, and CNSS's proposed use of [DELETED]. *Id.* at 27. The SSA expressly stated that the advantages CNSS's quotation offered were significant enough to warrant a 12 percent price premium. *Id.* Cloud Alliance's disagreement with the SSA's determination does not provide a basis to sustain the protest. *Recogniti, supra.*

The protest is denied.

Edda Emmanuelli Perez  
General Counsel