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**United States Government Accountability Office
Washington, DC 20548**

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Decision

Matter of: Computer Sciences Corporation

File: B-409386.2; B-409386.3

Date: January 8, 2015

Paul F. Khoury, Esq., Tracye Winfrey Howard, Esq., and Craig Smith, Esq., Wiley Rein LLP, for the protester.

Marianna Lvovsky, Esq., Jonathan D. Tepper, Esq., Ashley M. Bender, Esq., and Lori R. Larson, Esq., Department of the Treasury, Internal Revenue Service, for the agency.

Young S. Lee, Esq., Louis A. Chiarella, Esq., and Nora K. Adkins, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest challenging the evaluation of offerors' technical proposals and past performance is denied where the record shows that agency's evaluation was reasonable and supported by the record.

2. Contracting agency did not engage in misleading or unequal discussions where the record reflects that it accurately advised the protester of the specific concerns related to the protester's technical and cost proposals.

DECISION

Computer Sciences Corporation (CSC), of Falls Church, Virginia, protests the issuance of a task order to Northrop Grumman Systems Corporation, of McLean, Virginia, under request for technical and cost proposals (RTCP) No. 4142, issued by the Department of the Treasury, Internal Revenue Service (IRS), for infrastructure shared services (ISS). The RTCP was issued under an existing multiple-award, indefinite-delivery, indefinite-quantity contract known as the Total Information Processing Support Services 4 contract (TIPSS-4) for information technology services (ITS). CSC argues that the agency's evaluation of offerors' proposals and resulting award decision were improper.

We deny the protest.

BACKGROUND

The RTCP was issued on September 18, 2013, under the provisions of Federal Acquisition Regulation (FAR) subpart 16.5, to existing TIPSS-4 ITS contract holders.¹ Contracting Officer (CO) Statement (Oct. 27, 2014) at 2, 4. The solicitation contemplated the award of a hybrid fixed-price and cost-plus-fixed-fee task order for a 1-year base period with four 1-year options. RTCP, Performance Work Statement (PWS) at 1-2, 21.

The solicitation stated that task order award would be made on a best-value basis, through an integrated assessment of six evaluation factors listed in descending order of importance: technical approach; key personnel; project management; corporate experience; past performance; and cost/price (hereinafter cost). RTCP at 5-6. The RTCP also specified that the non-cost factors, when combined, were more important than cost. Id. at 5.

Four offerors, including Northrop and the incumbent CSC, submitted proposals by the November 6, 2013 closing date. CO Statement (Oct. 27, 2014) at 2. An agency technical evaluation committee (TEC) evaluated offerors' non-cost proposals. The IRS established a competitive range consisting of Northrop's and Offeror C's proposals.² Id. Thereafter the agency held discussions with the offerors in the competitive range, and established a January 6, 2014, closing date for receipt of final proposal revisions (FPR). Id. at 3.

On December 27, 2013, after receipt of a debriefing, CSC filed a protest with our Office challenging its exclusion from the competitive range. On January 10, 2014 the agency informed our Office that it was taking corrective action by including CSC in the competitive range.³ IRS Letter to GAO, Jan.10, 2014. Based on the agency's announced corrective action, we dismissed CSC's protest as academic. Computer Scis. Corp., B-409386, Jan. 10, 2014.

Northrop and Offeror C, submitted their FPRs by the previously-established January 6, 2014, due date. CO Statement (Oct. 27, 2014) at 3. After CSC's prior protest was dismissed, the IRS issued an amendment to revise the RTCP's adjectival rating system. Id. Shortly thereafter, the agency held discussions with CSC and Offeror D, and requested FPRs. Id.

¹ The RTCP was subsequently amended six times. Unless specified otherwise, all references are to the final version of the solicitation.

² CSC and Offeror D were initially excluded from the competitive range. CO Statement (Oct. 27, 2014) at 3.

³ The agency also decided to include the proposal of Offeror D in the competitive range.

After receipt of FPRs, the agency evaluated the proposals, which resulted in the following ratings for Northrop and CSC:

	Northrop	CSC
Technical Approach	Good	Good
Key Personnel	Excellent	Good
Project Management	Good	Good
Corporate Experience	Good	Good
Past Performance	Good	Good
Cost	\$62,274,005	\$65,683,367

Agency Report (AR), Tab 27, Source Selection Decision Document (SSDD), at 3-4.

The source selection authority (SSA) determined that the proposal submitted by Northrop, which was both the most highly-rated technically and the lowest cost, represented the best value to the government. *Id.* at 1-8. The agency issued Northrop the task order on September 18. CO Statement (Oct. 27, 2014) at 4. After receiving a debriefing, CSC filed the current protest with our Office.⁴

DISCUSSION

CSC's protest raises numerous issues regarding the agency's evaluation and resulting award decision. First, CSC challenges the agency's evaluation under all of the solicitation's non-cost factors. CSC also alleges that discussions were unequal and misleading. Finally, CSC argues that the award decision was flawed and not properly documented.

We have considered all of the issues and arguments raised by CSC's protest and although we do not address them all, find they provide no basis on which to sustain the protest.

The evaluation of offerors' technical proposals, including the determination of the relative merits of proposals, is primarily a matter within the contracting agency's

⁴ Since the value of this task order is greater than \$10 million, the procurement is within our jurisdiction to hear protests related to the issuance of task orders under multiple-award ID/IQ contracts. 41 U.S.C. § 4106(f)(1)(B).

discretion, since the agency is responsible for defining its needs and the best method of accommodating them. Highmark Medicare Servs., Inc., et al., B-401062.5 et al., Oct. 29, 2010, 2010 CPD ¶ 285 at 12. In reviewing an agency's evaluation, we will not reevaluate the proposals, but will examine the record of the evaluation to ensure that it was reasonable and consistent with the stated evaluation criteria as well as with procurement law and regulation. Id. A protester's mere disagreement with a procuring agency's judgment is insufficient to establish that the agency acted unreasonably. Id.

Technical Approach Evaluation

In challenging the agency's evaluation of proposals under the technical approach factor, CSC argues that if the agency had properly considered the risks associated with Northrop's proposed approach, which relied upon subcontractors to perform a majority of the task order work, Northrop would have received a lower rating.⁵ Protest (Nov. 10, 2014) at 14-16; Protest (Nov. 25, 2014) at 5-6.

With respect to the technical approach factor, the RTCP required offerors to describe their approach for completing the work identified in the PWS. RTCP at 2. The solicitation stated that the agency would consider whether an offeror's technical approach demonstrates a clear understanding of the work to be performed, and outlines an effective, efficient, achievable approach for accomplishing the task order requirements within applicable time frames. Id. The RTCP did not indicate that the agency would consider under this factor the extent of the offeror's reliance on subcontractors, or request offerors to identify how work would be allocated between the prime contractor and subcontractors. See id.

Northrop's technical proposal described various best practices, methodologies, and processes that the company intended to use to perform the RTCP's requirements, but did not indicate the amount of work that would be performed by its subcontractors. AR, Tab 19, Northrop FPR, Technical Proposal §§ 1.0-1.6. Instead, this information was located in Northrop's cost proposal, which provided a

⁵ CSC's protest also alleges that it should have received a higher technical approach factor rating because, among other reasons, it proposed staff resources with a proven track record of engaging new subcontractors in response to specialized IRS requirements. Protest (Sept. 30, 2014) at 19-21. In response to the protester's allegations, the agency provided a detailed rebuttal in its agency report. CSC's comments on the agency report, however, failed to address the agency's responses. Consequently, we consider the protester to have abandoned these arguments and will not consider them further. See Organizational Strategies, Inc., B-406155, Feb. 17, 2012, 2012 CPD ¶ 100 at 4 n.3.

breakdown of the labor hours assigned to Northrop and its subcontractors.⁶ AR, Tab 19, Northrop FPR, Cost Proposal.

After completing a review of Northrop's final technical proposal, the agency's TEC issued a final consensus report, which analyzed and evaluated the methodologies, best practices, and processes that Northrop proposed to perform the RTCP's requirements. AR, Tab 24, TEC Evaluation of Northrop, at 1-4. The technical consensus evaluation report did not address Northrop's decision to subcontract out a majority of the work, as this was not information required to be provided in offerors' technical submissions. Id.

CSC contends that the agency's evaluation of Northrop's technical approach proposal was unreasonable because it failed to account for the risks associated with Northrop's decision to subcontract such a large amount of the work. Protest (Nov. 10, 2014) at 2-3, 14-16; Protest (Nov. 25, 2014) at 5-6. The protester specifically points to the fact that Northrop's proposal would subcontract approximately 96.2% of the overall work. Protest (Nov. 10, 2014) at 14. Furthermore, the protester alleges that this concern was raised by the agency's cost analyst, but the concern was ignored (or not properly addressed) by the TEC, the contracting officer, and the SSA. Id. at 15. CSC argues that if the agency had properly evaluated Northrop's subcontracting risk, Northrop would not have received a good rating under the technical approach evaluation factor. Id. at 16.

On this record, we find that the agency reasonably evaluated the awardee's technical approach. Although the protester accurately observes that Northrop plans to subcontract most of the work under this task order, CSC fails to identify anything in the RTCP that would require the agency to downgrade Northrop's technical approach proposal because of this fact. An agency's evaluation must, among other things, be consistent with the solicitation. MetalCraft Marine Inc., B-410199, B-410199.2, Nov. 13, 2014, 2014 CPD ¶ 338 at 7. As discussed above, the RTCP required the agency to evaluate an offeror's ability to demonstrate a clear understanding of the work, and its ability to outline an effective, efficient, and achievable approach for accomplishing the work under the solicitation. RTCP at 2, 7. The agency's record reflects that the IRS reviewed Northrop's offer against the RTCP's stated evaluation criteria and reasonably assigned a rating of good under that factor.

We also disagree with CSC's contention that the agency improperly ignored these concerns when they were raised by its cost analyst. The subcontracting concerns identified by the IRS cost analyst were limited to the impact of the level of

⁶ Northrop's cost proposal provided a breakdown which demonstrated that, of the 758,615 total labor hours proposed, 729,665 would be performed by subcontractors. AR, Tab 19, Northrop FPR, Cost Proposal.

subcontracting on the agency's ability to complete its cost realism analysis, they were not concerns about Northrop's technical approach. For example, the cost analyst's report to the contracting officer indicated that "[s]ince the technical evaluation does not address the subcontract costs an adequate cost realism review could not be performed." AR, Tab 25, Cost Analysis Report (Aug. 6, 2014) at 15. These concerns are unrelated to, and different from, whether the awardee's proposal should have been downgraded under the technical approach factor because of potential subcontracting risks.⁷

Moreover, the record demonstrates the agency was aware of and reasonably considered Northrop's reliance on subcontractors. For example, the contracting officer raised various concerns about Northrop's reliance on subcontractors during negotiations. In addition, in documenting the award decision, the SSA recognized the concerns about subcontracting identified in the review of Northrop's initial proposal, but concluded that these concerns had been appropriately addressed during negotiations. AR, Tab 27, SSDD, at 4. In sum, CSC's disagreement with the agency's judgment is insufficient to establish that the agency acted unreasonably. Highmark Medicare Servs. Inc., et al., supra.

Key Personnel Evaluation

CSC next argues that the agency's evaluation of offerors' proposals under the key personnel factor was unreasonable and evidenced unequal treatment. Protest (Sept. 30, 2014) at 18; Protest (Nov. 10, 2014) at 2, 12-14; Protest (Nov. 25, 2014) at 6-7. The protester alleges that features in its proposal that were identical to Northrop's were not assessed as strengths or significant strengths, while the same features were assessed as significant strengths for Northrop. Id.

The RTCP required an offeror to demonstrate that its key personnel had the relevant skill sets and past experience to successfully execute the offerors' technical approach. RTCP at 2. The RTCP emphasized the importance of the relevance, amount, and duration of an offeror's key personnel experience. Id. at 2, 8. Offerors' key personnel proposals were limited to five resumes, each of which were limited to two pages. Id.

The TEC rated CSC as good, and Northrop as excellent, under the key personnel evaluation factor. AR, Tab 27, SSDD, at 3. In evaluating CSC, the IRS identified one significant strength. AR, Tab 22, TEC Evaluation of CSC, at 4. Specifically, the agency credited CSC for all five of its proposed key personnel, found that they were qualified, and found that all five had direct experience supporting IRS requirements. Id. The TEC determined that this was a significant strength because it would

⁷ We note for the record that CSC did not challenge the agency's cost realism evaluation.

ensure “zero ramp up time and knowledge transfer” and because CSC’s key personnel would be able to immediately begin performing. Id.

With regard to the agency evaluation for Northrop under this factor, the IRS identified three significant strengths. AR, Tab 24, TEC Evaluation of Northrop, at 4. Like CSC, Northrop was credited for all five of its proposed key personnel based on their qualifications and their direct experience with IRS ISS requirements. Id. Additionally, Northrop was also credited for proposing key personnel, who were identified as information technology (IT) subject matter experts. Id. The technical evaluators concluded that this was a significant strength in Northrop’s proposal because it demonstrated an excellent understanding of the support required under the solicitation’s PWS and because the individuals were “known quantities within the IRS.” Id. Finally, the agency assigned Northrop a significant strength because the blend of expertise offered was highly appropriate for the required work. Id. The IRS also concluded that Northrop’s key personnel had the engineering backgrounds necessary to exceed the requirements established by the task order. Id.

CSC argues, among other things, that it should have received a higher rating than good because it also proposed key personnel with experience across multiple engineering disciplines, and because its personnel were more experienced than Northrop’s. Protest (Nov. 10, 2014) at 2-3, 13-14. The protester also alleges unequal treatment because the agency assigned Northrop a significant strength for proposing personnel across multiple engineering disciplines, but failed to do the same for CSC. Id.

With respect to Northrop’s offer, the protester alleges that Northrop should not have received an excellent rating because the significant strengths assigned to it by the agency lack a factual basis. For example, the protester alleges that one of Northrop’s key personnel does not have direct relevant experience with similar IRS efforts. Protest (Nov. 10, 2014) at 11-12; Protest (Nov. 25, 2014) at 6-7. The protester also alleges that the agency improperly assigned a significant strength to Northrop for proposal features that were accounted for in other, already identified significant strengths. Protest (Nov. 10, 2014) at 12-14; Protest (Nov. 25, 2014) at 7.

After reviewing the record, we find that the agency reasonably evaluated both offerors’ under the key personnel factor, that the significant strengths assessed are factually supported by underlying documents, and that the proposals were evaluated equally.⁸ With regard to the protester’s arguments that it should have received a higher rating for its experienced key personnel, or alternatively, was

⁸ Although we discuss only two examples of the specific arguments raised by CSC regarding the agency’s key personnel evaluation, we have reviewed each of the protester’s arguments and find no basis to sustain the protest.

treated unequally because it likewise offered key personnel across multiple engineering disciplines, the facts do not support CSC's allegations.

Our review of the record reveals differences between the personnel proposed by the two companies that support the distinctions drawn by the agency. For example, all five of the resumes submitted by Northrop state that each individual is an "IT Subject Matter Expert." AR, Tab 19, Northrop FPR Technical Proposal, § 2. Furthermore, all five of Northrop's key personnel have resumes reflecting engineering experience. Id. This is not the case with all five of the resumes of the key personnel submitted by CSC. See AR, Tab 16, CSC FPR, § 2. For example, at least one of the key resumes submitted by CSC indicates that the individual is a business subject matter expert, rather than an IT subject matter expert. Id. § 2.5. Moreover, that same individual's resume fails to identify direct experience as an engineer. Id. These, along with other differences between the resumes of the two offerors provide a reasonable basis for the agency evaluators to assign different ratings to the CSC and Northrop proposals.

The record also reflects that the agency valued the fact that the entire Northrop key personnel team was made up of IT subject matter experts. AR, Tab 24, TEC Evaluation of Northrop, at 4. While the evaluation team recognized the importance of personnel with program and project management backgrounds, the agency placed a premium on "the provision of highly skilled and experienced staff to perform the work" explaining that personnel with this type of background would be "the best way to ensure successful projects at the least cost." Id. Despite CSC's allegations that the agency's evaluation of proposals under the key personnel factor was unreasonable and evidenced unequal treatment, our review of the record shows no support for that contention.

Project Management Evaluation

CSC next raises multiple challenges to the evaluation of its and Northrop's proposals under the project management factor. Protest (Nov. 10, 2014) at 3, 16-18; Protest (Nov. 25, 2014) at 7-8. CSC contends that these allegations establish disparate treatment and provide evidence of the agency's unequal evaluation. Id.

To evaluate the project management factor, the agency required offerors to demonstrate expertise in certain subject matter areas. RTCP at 2, 9. The RTCP identified the subject matter areas as follows: program management, project management, and strategic planning. Id. Offerors were required to demonstrate that they could effectively perform these requirements in accordance with the RTCP's performance work statement. Id.

Both CSC and Northrop received good ratings for the project management evaluation factor. AR, Tab 27, SSDD, at 3. In evaluating CSC, the agency

assigned two strengths and one significant strength. AR, Tab 22, TEC Evaluation of CSC, at 6. The first strength was given to the protester for offering in-depth knowledge of the requirement and for proposing what would likely be a successful project management approach for current and future work. Id. The second strength was based on CSC's proposed use of processes and methodologies that would enable the protester to start new work within 24 hours. Id. The agency identified this as a strength because it would preserve processes from the prior task order to the new one, enabling the agency's requirements to be met quickly and flexibly. Id. The IRS also credited CSC with a significant strength for providing access to a large pool of qualified personnel with the credentials necessary to allow them to immediately begin performing the requirements of the task order. Id.

With regard to the evaluation of Northrop's proposal, the IRS assigned it one strength because it demonstrated a thorough understanding of the support required by the agency. AR, Tab 24, TEC Evaluation of Northrop, at 6. The TEC also assigned Northrop's proposal one significant strength because its "[p]rogram [m]anagement team is completely staffed with qualified, experienced managers and personnel, and almost completely staffed with managers and personnel with extensive direct IRS ISS experience." Id. at 7. The agency evaluators identified this feature as significant because they concluded it would result in a transition that was quick, uneventful, not costly, and because it was likely that the team would be able to respond favorably to challenges under the RTCP. Id.

CSC alleges that, like Northrop, its proposal would involve no transition risk due to the experienced personnel offered, but unlike Northrop, CSC did not receive a significant strength for this aspect of its offer. Protest (Nov. 10, 2014) at 3, 16-18; Protest (Nov. 25, 2014) at 7-8. Specifically, CSC alleges that because it proposed to retain the incumbent program management team under the predecessor task order; because the revisions it made to its initial offer focused on offering senior personnel with direct relevant experience; and because these features would ensure zero ramp up time and knowledge transfer, CSC should have received an additional strength. Protest (Nov. 10, 2014) at 17; Protest (Nov. 25, 2014) at 7-8.

We find the agency's evaluation to be reasonable and equal. Here, the record establishes that the agency credited CSC's proposal with strengths for "in-depth knowledge of the requirement," "using processes and methodologies that will enable new work to commence in as few as 24 hours," and for ensuring access to "qualified experienced personnel." AR, Tab 22, TEC Evaluation of CSC, at 6. Although the agency did not use the same wording to identify the strengths offered by the two proposals, we find that the IRS did provide CSC with credit for the very features it complains were ignored.

Although CSC may believe it is entitled to higher ratings for various aspects of its proposal, or that the agency did not recognize the experience of the project management team, the evaluation of offerors' technical proposals, including the

determination of their relative merits, is primarily a matter within the contracting agency's discretion. Highmark Medicare Servs. Inc., et al., supra. CSC's disagreement here does not provide a basis for us to sustain its protest.⁹ Id.

Corporate Experience Evaluation

CSC also protests the agency's corporate experience evaluation. Specifically, the protester alleges that the agency's assignment of a rating of good to Northrop's proposal under this factor deviated from the RTCP's stated evaluation scheme.¹⁰

The solicitation instructed offerors to identify two projects that were similar to the size, scope, and complexity of the RTCP's performance work statement. RTCP at 2, 10. The projects were to demonstrate the offerors' ability to successfully manage and perform prior contracts like the effort being solicited. Id. As relevant to this protest, in order to receive a good rating for this factor, an offeror had to submit a proposal that contained some significant strengths. Id. at 10. By contrast, a satisfactory rating was reserved for those proposals that contained no, or very few, significant strengths, some minor weaknesses, and no deficiencies. Id. at 10.

Northrop received a good rating under the corporate experience evaluation factor. AR, Tab 27, SSDD, at 3. In its evaluation of Northrop's corporate experience, the TEC identified two strengths, neither of which were characterized as significant strengths. AR, Tab 24, TEC Evaluation of Northrop, at 9. The first strength was

⁹ Moreover, even assuming that CSC should have received a higher rating, or Northrop deserved a lower rating, under the project management factor, CSC fails to show that it was prejudiced. Competitive prejudice is an essential element of every viable protest. We will not sustain a protest even if deficiencies are found, where the record does not demonstrate that the protester would have had a reasonable chance of receiving award but for the agency's actions. West Sound Services Group, LLC, B-406583.4, B-406583.5, July 9, 2014, 2014 CPD ¶ 208 at 15; Leisure-Lift, Inc., B-291878.3, B-292448.2, Sept. 25, 2003, 2003 CPD ¶ 189 at 10. Even if CSC were rated more highly than Northrop for the project management factor, Northrop would remain higher-rated under the more important key personnel factor. Furthermore, Northrop submitted a lower cost proposal, which CSC does not challenge. As such, even if CSC successfully established that an error occurred in this aspect of the agency's evaluation, it would not be able to show that it had a reasonable chance of receiving the award.

¹⁰ In its initial protest, CSC alleged that it should have been rated higher under the corporate experience evaluation factor because it is the incumbent contractor, because it offered more incumbent personnel, and because one of the projects it submitted should have been given more weight by the agency. Protest (Sept. 30, 2014) at 22-24. As the agency addressed this issue in its report, and CSC did not respond in its comments, we consider this protest ground to be abandoned.

assigned because the evaluators found that the five contracts identified by Northrop were of similar size, scope, and complexity to the performance work statement. Id. Additionally, the TEC recognized that three of the five contracts were “level-of-effort type contracts.” Id. The second strength was assigned for identifying a contract that demonstrated Northrop’s ability to support diverse integration environments. Id. The evaluators did not identify any deficiencies or weaknesses related to Northrop’s contracts. Id. at 10. The technical evaluators assigned a good rating to Northrop under the corporate experience factor because they concluded that Northrop’s proposal “exceeds the requirements of the RCTP.” Id. at 11.

CSC contends that Northrop’s corporate experience rating was improper because the RTCP’s definition of a good rating requires an offeror to have at least one significant strength. Protest (Nov. 10, 2014) at 3, 18; Protest (Nov. 25, 2014) at 8. The protester argues that because the agency did not identify any significant strengths, Northrop should be rated satisfactory for this evaluation factor. Id. In response, the agency contends that although no significant strengths were identified, the TEC assigned the good rating to Northrop’s proposal because it concluded that the proposal exceeded the requirements of the RTCP, and did not properly fall under the RTCP’s definition of a satisfactory proposal.¹¹ CO Statement (Nov. 19, 2014) at 4; Supplemental Legal Memo at 14.

Here, the record shows that the agency reasonably applied its discretion in deciding to rate Northrop good, rather than satisfactory, under the corporate experience factor. The agency’s definition for a satisfactory rating expressly required a proposal to be evaluated as containing “some minor weaknesses,” which is not the case here. RTCP at 10. Rather, the evaluation team concluded that Northrop’s “proposal exceeds the requirements of the RCTP” and identified no weaknesses for this evaluation factor. AR, Tab 24, TEC Evaluation of Northrop, at 10-11. Moreover, the protester has not identified any instances where the agency unequally applied such discretion, under similar circumstances. For these reasons, we see no basis to conclude that the agency acted improperly in assigning this rating. Highmark Medicare Servs. Inc., et al., supra (determination of relative merit is within agency’s discretion).

Past Performance Evaluation

CSC argues that the agency’s evaluation of Northrop’s past performance was unreasonable because Northrop’s subcontractors, not Northrop, will perform most of the work here. Protest (Nov. 10, 2014) at 3, 19-20; Protest (Nov. 25, 2014) at 9.

¹¹ The contracting officer states that the “TET concluded that [Northrop’s] proposal was better than a Satisfactory because [Northrop’s] proposal did not just ‘meet the requirements’ it ‘exceeded’ them.” CO Statement (Nov. 19, 2014) at 4.

An agency's evaluation of past performance, including its consideration of the relevance, scope, and significance of an offeror's performance history, is a matter of discretion which we will not disturb unless the agency's assessments are unreasonable or inconsistent with the solicitation criteria. SIMMEC Training Solutions, B-406819, Aug. 20, 2012, 2012 CPD ¶ 238 at 4. Where a protester challenges an agency's past performance evaluation, we will review the evaluation to determine if it was reasonable and consistent with the solicitation's evaluation criteria and procurement statutes and regulations, and to ensure that it is adequately documented. Falcon Envtl. Servs., Inc., B-402670, B-402670.2, July 6, 2010, 2010 CPD ¶ 160 at 7. A protester's disagreement with the agency's evaluation judgments concerning the merits of past performance does not establish that the evaluation was unreasonable. Sam Facility Mgmt., Inc., B-292237, July 22, 2003, 2003 CPD ¶ 147 at 3.

The RTCP stated that an offeror's past performance would be evaluated based on information from the past performance information retrieval system and on questionnaires from references listed in each offerors' proposal. RTCP at 11. The agency was to evaluate an offeror's ability to manage contracts similar in size, scope, and complexity to the one contemplated by the solicitation. Id. The RTCP specifically stated that past performance would be determined relevant when "an Offeror has been confronted with the kinds of challenges and risks contemplated by the solicitation." Id. at 9. Offerors were also required to provide a brief description of the project and describe how that performance was relevant. Id.

Northrop provided five past performance references in its proposal. AR, Tab 19, Northrop FPR, Technical Proposal, § 5.1. The IRS received questionnaires back from two of the five references. AR, Tab 20, Northrop Past Performance Questionnaires, at 1-14. One past performance questionnaire was received from the Air Force's National Air and Space Intelligence Center for work Northrop performed on an automated virtual information processing support system. Id. at 1-6. The other was from the Department of Homeland Security (DHS) for enterprise network service support. Id. at 7-13. In its past performance evaluation of Northrop, the IRS identified two strengths, one of which was considered significant. AR, Tab 24, TEC Evaluation of Northrop, at 15. The agency's evaluation found that the Air Force contract compared favorably to the RTCP's requirements because it was a cost-plus fixed-fee contract valued at \$76.6 million, for the design, development, and maintenance of information systems. Id. at 12. The agency also found that the DHS contract compared favorably to the RTCP's requirements because it was a \$1.2 billion contract for operation, maintenance, and enhancement of enterprise network services. Id. The IRS identified this as a significant strength. Id.

CSC argues that the contract reference information submitted by Northrop is irrelevant for the purposes of the past performance evaluation conducted by the agency because its actual performance of the work under the task order is nominal.

Protest (Nov. 10, 2014) at 3, 19-20; Protest (Nov. 25, 2014) at 9. The protester alleges that since the awardee's proposal indicates that Northrop will be performing a very small portion of the total work identified in the task order, the agency should disregard Northrop's past performance information in its entirety and rate the offeror as neutral for this factor. Protest (Nov. 10, 2014) at 20.

In spite of these allegations, CSC provides essentially no legal basis to support its argument. Moreover, the protester identifies no solicitation provision requiring the agency to evaluate the proposal in this manner. Id. For example, CSC cites to no statute, regulation, or prior precedent that would prohibit the agency from considering the past performance information submitted by Northrop because its offer indicates that it will subcontract a majority of the required work. Rather, CSC contends that the evaluation scheme it would have chosen under this procurement is "a corollary of the general rule that an agency may credit the past performance of a parent or affiliate only if the resources will demonstrably be brought to bear on the proposed performance." Id. at 19-20.

We decline to create such a "corollary" rule. While we agree that Northrop's decision to subcontract almost all of the work under the task order is a unique feature of its proposal, the RTCP did not require the agency to downgrade an offeror based on the amount of work the company proposed to subcontract. Rather it required the agency to evaluate an offeror's ability to manage contracts similar in size, scope, and complexity to the one completed by the solicitation. In addition, in the event there is subsequent poor performance of this effort, this poor performance will be assessed against Northrop, so it is not as if Northrop can be completely removed from this situation. Our review of the agency's evaluation confirms that the good rating assigned to Northrop was in accordance with the stated criteria identified in the RTCP.

Moreover, the past performance questionnaires used here directly addressed whether an offeror was capable of managing its subcontractors. The final question on the past performance questionnaire specifically asked respondents "[h]ow well did the contractor effectively manage its subcontractors?" AR, Tab 20, Northrop Past Performance Questionnaires, at 6, 12. Of the two questionnaires that were returned, one stated that Northrop "manages well all its subcontractors, be they one of many types of small businesses, or large businesses." Id. at 6. Here, the record not only reflects that the agency evaluated Northrop's past performance in accordance with the solicitation's stated evaluation criteria, but also included information to affirm that Northrop was in fact capable of managing its subcontractor workforce. Accordingly, we find that the agency's evaluation was reasonable.

Discussions

Finally, CSC argues that the IRS misled it during discussions. Protest (Sept. 30, 2014) at 13-16; Protest (Nov. 10, 2014) at 3-8; Protest (Nov. 25, 2014) at 2-3. The

protester also alleges that the discussions conducted by the agency were unequal and inconsistent. Protest (Nov. 10, 2014) at 4-10; Protest (Nov. 25, 2014) at 2-3.

It is a fundamental principle of negotiated procurements that discussions, when conducted, must be meaningful; that is, discussions must identify deficiencies and significant weaknesses in an offeror's proposal that could reasonably be addressed so as to materially enhance the offeror's potential for receiving award. PAI Corp., B-298349, Aug. 18, 2006, 2006 CPD ¶ 124 at 8; Spherix, Inc., B-294572, B-294572.2, Dec. 1, 2004, 2005 CPD ¶ 3 at 13. To satisfy the requirement for meaningful discussions, the agency need only lead an offeror into the areas of its proposal requiring amplification or revision. Epsilon Systems Solutions, Inc., B-409720, B-409720.2, July 21, 2014, 2014 CPD ¶ 230 at 16; ITT Fed. Sys. Int'l Corp., B-285176.4, B-285176.5, Jan. 9, 2001, 2001 CPD ¶ 45 at 7. The scope and extent of discussions with offerors are matters of a contracting officer's judgment. FAR §15.306(d)(3); Am. States Utilities Servs., Inc., B-291307.3, June 30, 2004, 2004 CPD ¶ 150 at 5. While offerors must be given an equal opportunity to revise their proposals, and the FAR prohibits favoring one offeror over another, discussions need not be identical; rather, discussions must be tailored to each offeror's proposal. FAR §§ 15.306(d)(1), (e)(1); WorldTravelService, B-284155.3, Mar. 26, 2001, 2001 CPD ¶ 68 at 5-6.

As discussed above, the IRS initially did not include CSC's proposal in the competitive range. CO Statement (Oct. 27, 2014) at 3. Subsequently, the IRS placed CSC back into the competitive range. Id. The agency proceeded to open discussions with the protester on concerns it identified with the protester's initial technical and cost proposal. Id.

With respect to the protester's cost proposal, the IRS noted that the average blended rate proposed by CSC for certain contract line items appeared "very low--perhaps disturbingly low." AR, Tab 15, CSC Discussion Items, at 3. In this regard, the agency expressly stated that it wanted to have a very good understanding of CSC's proposed costs in order to ensure that it would be able to decide if they were fair and reasonable. Id.

With respect to the protester's technical proposal, the IRS expressed a variety of different concerns. First, the agency expressed concern with CSC's ability to "deliver the most qualified, experienced resources and complete work successfully the first time, on schedule and within budget," in light of an initial proposal that appeared to focus on reducing costs. Id. The IRS also identified unease with the proposed key personnel offered by CSC's initial proposal. Id. Specifically, the agency indicated that the non-incumbent key personnel staff initially identified by CSC might conflict with CSC's representation that its proposal offered zero transition risk to the IRS. Id. This concern was identified because CSC's initial proposal indicated that the majority of the key personnel had little or no prior IRS ISS experience. Id. The agency characterized this potential conflict as a "minimal

weakness.” Id. Finally, the IRS also noted that it was worried about CSC’s corporate experience because new, rather than incumbent personnel, were being proposed by CSC’s initial offer. Id.

After discussions concluded, CSC submitted final proposal revisions that restructured and changed the key personnel, labor-mix/staffing, and cost aspects of its initial proposal. AR, Tab 16, CSC FPR; Protest (Sept. 30, 2014) at 8-12. The following table identifies the ratings assigned to CSC before and after negotiations concluded:

	CSC Initial Proposal	CSC FPR
Technical Approach	Satisfactory	Good
Key Personnel	Satisfactory	Good
Project Management	Good	Good
Corporate Experience	Good	Good
Past Performance	Good	Good
Cost	\$58,533,545	\$65,683,367

CO Statement (Oct. 27, 2014) at 6.

The protester contends that the agency misled it during discussions. Specifically, CSC alleges that “[i]n order to fully address the Agency’s stated concerns, CSC was forced to raise its proposed cost/price.” Protest (Sept. 30, 2014) at 14. Essentially, CSC argues that during discussions the IRS induced it to increase its cost proposal so that CSC’s proposal would be more expensive than Northrop’s, and that the agency failed to give CSC the credit it deserved for the revisions it made to its technical proposal.¹² Protest (Sept. 30, 2104) at 13-16; Protest (Nov. 10, 2014) at 3-8; Protest (Nov. 25, 2014) at 2-3. Additionally, CSC contends that the agency’s discussions with CSC and Northrop were inconsistent and unequal. Protest (Nov. 10, 2014) at 4-10; Protest (Nov. 25, 2014) at 2-3. The protester alleges that even though both CSC and Northrop offered similar average blended costs for certain contract line items, the IRS advised CSC that its price was too low, while advising Northrop that its price was too high. Comments at 6-8.

¹² In this regard, CSC argues that the IRS “advised CSC that it valued technical experience and tried to push up CSC’s cost/price, all while pushing down Northrop’s cost/price.” Supplemental Comments at 4.

We disagree with the protester's allegations as they relate to the agency's discussions. CSC's arguments rely largely on assumptions, inferences, and a selective reading of the record. First, as pointed out by the agency, the record confirms that the IRS did not mandate that CSC make revisions to its proposal. Rather, the agency was requesting additional explanation to understand how CSC intended to perform at the cost it proposed. Further, the negotiation items relied on by CSC expressly rebut many of the allegations it raises. For example, with respect to the agency's identification of CSC's low costs, the text of the negotiation memorandum stated that the IRS was discussing its concerns about CSC's "perhaps disturbingly low" costs because it needed "to have a very good understanding . . . before these rates are deemed fair and reasonable." AR, Tab 15, Negotiation Items, at 1.

With regard to the protester's allegation that the IRS failed to explain why it asked CSC to increase its pricing while at the same time it was asking Northrop to reduce the costs in its proposal, the record shows that the protester's characterization of the record is not entirely accurate. Although CSC argues that Northrop's final cost was in line with the initial cost proposed by CSC, which the agency characterized as disturbingly low, the record shows that there was a \$5 million difference between Northrop's final and CSC's initial cost. Moreover, the fact that CSC's proposal was evaluated as having a cost that was higher than Northrop's after the protester revised its offer does not, in and of itself, establish that the IRS attempted to induce the protester to raise its cost proposal to a level that exceeded Northrop's.

We also find nothing unreasonable about the agency's decision to direct CSC's attention to the concerns that were identified with CSC's initial technical proposal. For example, the agency expressly stated that it was raising the concerns it identified with CSC's key personnel because of the potential conflict that a new leadership team might create with CSC's representation that its proposal presented no transition risk for the IRS. *Id.* The record reflects that this discussion led to an improvement in the protester's technical ratings, thereby making its proposal more competitive. In this regard, the increased technical ratings demonstrate that the agency's discussions were in fact meaningful. We decline to sustain CSC's protest on these grounds, when the record reflects that both parties were given an equal opportunity to revise their proposals, and although the discussions were not identical, they were tailored to the specifics of each offeror's proposal.

Award Decision

Finally, CSC contends that the agency's award decision was unreasonable. However, this contention is based upon its arguments that its and Northrop's proposals were unreasonably evaluated. Protest (Nov. 25, 2014) at 9-10. Since, as explained above, we find that the agency's evaluation was reasonable, and the record establishes that the agency's evaluation and subsequent award decision was

adequately documented, CSC's allegations do not provide a basis for overturning the award determination.

The protest is denied.

Susan A. Poling
General Counsel