



Decision

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Matter of: Raytheon Company

File: B-417935; B-417935.2; B-417935.3

Date: December 13, 2019

Kevin P. Connelly, Esq., Kelly Buroker, Esq., Kirsten Konar, Esq., and Tamara Droubi, Esq., Vedder Price PC, for the protester.

Marcia G. Madsen, Esq., David F. Dowd, Esq., Luke Levasseur, Esq., Mayer Brown LLP, for Lockheed Martin Corporation, the intervenor.

Per David Midboe, Esq., J. Gregory Lennon, Esq., Kelsey A. Harrer, Esq., Department of the Navy, for the agency.

Lois Hanshaw, Esq., and Amy B. Pereira, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest challenging agency's evaluation of proposals and source selection decision is denied where the record shows that the agency's evaluation and selection decision were reasonable and consistent with the terms of the solicitation.

DECISION

Raytheon Company, of Portsmouth, Rhode Island, protests the award of a contract to Lockheed Martin Corporation, of Moorestown, New Jersey, under request for proposals (RFP) No. N00024-17-R-5152, issued by the Department of the Navy, Naval Sea Systems Command, for a ship self-defense system (SSDS) to develop, integrate, and maintain a combat management system for aircraft carriers, large deck amphibious ships, and future surface ship classes. The protester argues that the agency improperly evaluated technical and cost proposals.

We deny the protest.

BACKGROUND

The RFP, issued on August 4, 2017, using procedures of Federal Acquisition Regulation (FAR) part 15, contemplated the award of a single contract with cost-plus-incentive-fee (CPIF), CPIF level-of-effort (LOE), and fixed-price contract line item

numbers (CLINs) for a period of performance not to exceed 10 years.¹ Agency Report (AR), Tab 2, RFP at 1, 290, 379. The CPIF completion CLINs required a contractor to develop and deliver Advanced Capability Build (ACB) 20,² a software upgrade that integrates three new Navy weapon systems into SSDS, as well as other improvements, such as cybersecurity and training. Id. at 74; COS at 3. Id. The completion CLINs also required the awardee to modify ACB 20 software to make it compatible with other hardware technology insertions (HTI) hardware.³ COS at 3. CPIF LOE effort CLINs included engineering support of existing baseline software modifications and placeholder CLINs would establish the rates for other future capability development efforts. RFP at 75.

Award would be made on a best-value tradeoff basis, considering five evaluation factors: technical approach, data rights, management approach, past performance, and total evaluated cost/price (TEC/P). Id. at 391-92, 399. In evaluating proposals, the technical approach and data rights factors would be considered equally important and would be assigned an adjectival rating⁴; the management approach and past performance factors would be rated as either acceptable or unacceptable. Id. at 392. The RFP stated that all non-cost/price factors when combined would be significantly more important than the TEC/P factor. Id. The RFP also advised that as competing proposals approached parity in the non-cost/price factors, TEC/P would increase in importance. Id. The solicitation declared that the government may select a lower-cost, lower-rated proposal if the government determined that the premium associated with the higher-rated proposal was not justified. Id. at 399.

By the May 1, 2019, closing date, the agency received three proposals including Raytheon's and Lockheed's.⁵ AR, Tab 8, SSA Memo, at 1. Proposals were evaluated by a source selection evaluation board (SSEB), cost/price analysis team (C/PAT), and

¹ The RFP was subsequently amended 11 times. Contracting Officer's Statement (COS) at 2.

² ACBs define the specific software upgrades of new warfighting capabilities to integrate them into the existing SSDS system. COS at 1. ACBs are numbered sequentially, usually corresponding to the fiscal year of integration for that ACB, i.e., ACB 20 represents fiscal year 2020 as the targeted integration period. Id.

³ HTIs define the SSDS computing hardware upgrades or replacements and have a similar fielding year numbering scheme as ACBs, i.e., HTI-12 deployed around fiscal year 2012. RFP at 73. The ACB 20 code, developed under the completion CLINs, must function on the most up-to-date HTI, HTI-16. Id.; COS at 3.

⁴ Ratings, from highest to lowest, would be outstanding, good, acceptable, marginal, and unacceptable. RFP at 396.

⁵ The third offeror was eliminated from the competitive range. AR, Tab 8, Source Selection Authority (SSA) Memorandum (Memo), at 1.

source selection advisory council (SSAC). After evaluating proposals, conducting discussions, and receiving revised proposals, proposals were rated as follows:

	Raytheon	Lockheed
Technical Approach	Outstanding ⁶	Good ⁷
Data Rights	Outstanding	Outstanding
Management Approach	Acceptable ⁸	Acceptable
Past Performance	Acceptable ⁹	Acceptable
Total Evaluated Cost/Price	\$335,886,866	\$287,618,537

AR, Tab 7, SSAC Report, at 3.

The SSAC reviewed, concurred, and adopted the analysis documented in the SSEB report. Id. The SSAC also compared the non-cost/price proposals--including the significant strengths, strengths, and weaknesses assigned to the technical approach and data rights factors by the SSEB--and found meaningful differences under only the technical approach factor.¹⁰ Id. at 4. Under that factor, where the SSAC viewed significant strengths, strengths, and weaknesses in the proposals to be nearly identical, it offset these portions of the proposals and provided a detailed discussion of its rationale. Id. at 5-9. As a result, the SSAC distilled each proposal's significant strengths, strengths, and weaknesses into five primary technical discriminators, including four significant strengths for Raytheon's proposal and one weakness for Lockheed's. Id. at 5. The SSAC concluded that Raytheon's proposal offered a technical advantage under the technical approach factor. Id. at 4.

⁶ An outstanding proposal was found to meet requirements by demonstrating an exceptional approach and understanding of the requirements with multiple strengths and a low risk of unsuccessful performance. RFP at 396.

⁷ A good proposal was found to meet requirements by demonstrating a thorough approach and understanding of the requirements with at least one strength, and a low to moderate risk of unsuccessful performance. Id.

⁸ An acceptable proposal under the management approach factor clearly met the requirements of the solicitation. Id.

⁹ An acceptable proposal under the past performance factor provided a performance record that the government associated with having a reasonable expectation of successful performance or the performance was unknown. Id.

¹⁰ Neither offeror's proposal received deficiencies or significant weaknesses under the technical approach or data rights factors. AR, Tab 5, SSEB Report, at 3-34. Raytheon's proposal did not receive any weaknesses under these two factors and Lockheed's proposal received four weaknesses under the technical approach factor. Id. at 26-28.

The SSAC viewed the proposals under the data rights factor to be nearly identical and equally valuable based on assigning both proposals a significant strength for offering unlimited non-commercial data rights. Id. The SSAC stated that it did not find discriminators between proposals under the data rights, management approach, and past performance factors. Id.

The C/PAT report explained the agency's methodology for evaluating labor rates, hours, and fees and indicated that upward adjustments were made to each offeror's proposal. AR, Tab 6, C/PAT Report, at 7. In this regard, the C/PAT adjusted Raytheon's direct and indirect labor rates upward, increasing its TEC/P by approximately \$10 million, and adjusted Lockheed's proposed hours, and direct and indirect labor rates upward, increasing its TEC/P by nearly \$12.7 million. Id. at 2. The C/PAT report also identified cost risks associated with each offeror's proposal. In this regard, the agency identified three cost realism risks associated with Raytheon's proposal, one moderate, one minor, and one "de minimus." Id. 3-4. The agency identified four cost realism risks associated with Lockheed's proposal, one moderate and three "de minimus." Id. at 4.

The SSAC reviewed, concurred with, and adopted the analysis documented in the C/PAT report. AR, Tab 7, SSAC Report at 3. Additionally, the SSAC compared the offerors' cost proposals and noted adjustments and cost risks associated with each offeror's proposal. Id. at 10-13. The SSAC noted that Raytheon and Lockheed each provided sufficient substantiation for its proposed labor mix and completion hours, supported by detailed basis of estimates (BOEs) using realistic software size estimates and historical data from relevant experience on analogous programs. Id. at 11, 12. Although the SSAC determined that Raytheon's proposal presented less overall risk of incurring costs higher than its TEC/P, they also determined that even accounting for Lockheed's moderate cost risk, Lockheed's cost proposal would still be less than Raytheon's even if the SSAC had not adjusted Raytheon's proposed costs or identified any cost risks. Id. at 13. In identifying Lockheed's proposal as the best value, the SSAC recognized that the RFP advised that non-cost/price factors were significantly more important than cost/price and that cost/price would increase in importance as non-cost/price proposals reached parity. Id. at 14.

The SSA independently reviewed and accepted the findings and analysis in the SSEB, C/PAT, and SSAC reports. AR, Tab 8, SSA Memo, at 4. In selecting Lockheed's proposal as the best value to the government, the SSA considered the non-cost/price factors other than the technical approach factor to be essentially equal, and concluded that Raytheon's technical approach advantage was not worth the associated \$48 million premium. Id. at 3.

On August 15, Raytheon was notified of the award to Lockheed. After requesting and receiving a debriefing, this protest followed.

DISCUSSION

The protester challenges the agency's evaluation of Lockheed's proposal under the technical approach factor, Raytheon's proposal under the data rights factor, the agency's cost realism analysis, the agency's conduct of discussions, and the best-value tradeoff and award decisions.¹¹ We have reviewed all of the protester's arguments, and while we do not discuss them all below, we find no basis to sustain the protest.¹²

Technical Evaluation

The protester challenges the agency's evaluation of Lockheed's proposal under the technical approach factor, asserting that the awardee's proposal presents risk to performance, schedule, and cost. Protest at 29. Raytheon also asserts that the agency unreasonably failed to assign additional strengths to its proposal under the data rights factor. Id. at 35-36. We discuss a few representative examples below.

In reviewing a protest challenging an agency's evaluation, our Office will not reevaluate proposals, nor substitute our judgment for that of the agency, as the evaluation of proposals is a matter within the agency's discretion. Environmental Chemical Corp., B-416166.3 et al., June 12, 2019, 2019 CPD ¶ 217 at 7. Rather, we will examine the record to ensure that the agency's evaluation was reasonable and consistent with the evaluation criteria set forth in the solicitation and with applicable procurement statutes and regulations. Networking & Eng'g Techs., Inc., B-405062.4 et al., Sept. 4, 2013, 2013 CPD ¶ 219 at 8-9. A protester's disagreement with the agency's judgment in its determination of the relative merit of competing proposals, without more, does not establish that the evaluation was unreasonable. Advanced Commc'n. Sys., Inc., B-283650 et al., Dec. 16, 1999, 2000 CPD ¶ 3 at 13. On the record here, we find no basis to question the agency's evaluation of the offerors' proposals.

¹¹ To the extent the protester raises similar challenges to the agency's evaluation implicating both the technical approach and cost/price factors, we discuss these allegations in our review of the agency's cost realism evaluation.

¹² For example, the protester asserts that the government unreasonably made award to Lockheed because it cannot provide the Multi-Mission Analysis Tool (MMAT). In this regard, Raytheon alleges that although offerors need the MMAT to successfully perform the contract, the MMAT is owned by Raytheon and is not deliverable to the government. Protest at 4-5. However, RFP attachment J-09 identifies the MMAT as government furnished property (GFP). If Raytheon thought the RFP erred in identifying the MMAT as GFP, it should have protested this matter prior to the time set for receipt of proposals. Its failure to challenge the terms of the solicitation regarding the MMAT until after award is untimely, and cannot be transformed into an evaluation challenge. As a result, we dismiss this argument. 4 C.F.R. § 21.2(a)(1). See, MacAulay-Brown, Inc., B-417205 et al., Mar. 27, 2019, 2019 CPD ¶ 129 at 8.

Lockheed's Technical Approach Evaluation

Under the technical approach factor, the RFP required offerors to discuss their proposed approach to the SSDS contract objectives, including a targeted discussion of an offeror's proposed approach to performing each of the CLINs. RFP at 333. The agency would evaluate the extent to which an offeror's proposal demonstrated a thorough understanding of the SSDS efforts, including knowledge and understanding of combat systems and systems similar to SSDS integrated combat systems. Id. at 392-93.

The crux of most of the protester's challenges to the agency's evaluation of Lockheed's technical approach is that award to Lockheed increased the risk to performance, schedule, and costs because Lockheed lacked SSDS experience and could not offer the same advantages as Raytheon's 26-year incumbency. The protester contends that the agency's evaluation was flawed by making various SSDS experience-related assertions, including, for example: Lockheed's key personnel lack SSDS background experience; Lockheed will effectively toss away 26 years of hands-on knowledge of SSDS experience by not hiring any incumbent workforce; Lockheed's workforce will be new to the SSDS program with no SSDS experience; and Lockheed cannot reasonably rely on the Aegis contract as a valid basis of estimate for performing this requirement because it is not an SSDS contract.¹³ Comments and Supp. Protest at 14, 18. Similarly, Raytheon contends that the agency failed to recognize the risk of award to Lockheed where "Raytheon's proposal contained numerous element/features [to satisfy the government's] requirements that Lockheed simply could not provide," such as an SSDS lab that benefits from decades of investment from Raytheon. See e.g., Protest at 32-34.

We find these arguments unavailing considering the RFP did not specifically require offerors to have prior SSDS experience. Additionally, a protester's apparent belief that its incumbency status entitled it to higher ratings or dispositive consideration provides no basis for finding an evaluation unreasonable. PricewaterhouseCoopers Public Sector, LLP, B-415504, B-415504.2, Jan. 18, 2018, 2018 CPD ¶ 35 at 7. There is no requirement that an offeror be given additional credit for its status as an incumbent, or that the agency assign or reserve the highest rating for the incumbent offeror. Id.

Raytheon's Data Rights Evaluation

Under the data rights factor, the RFP required offerors to identify the data rights an offeror would provide for the requirement. RFP at 342. The RFP advised offerors that the government's intent and goal was for all non-commercial technical data (TD), computer software (CS) and computer software documentation (CSD) (cumulatively TD/CS/CSD) to be delivered with government purpose rights "or better." Id. The

¹³ Under the Aegis contract, Lockheed was responsible for developing, integrating, and maintaining warfare system capabilities for Aegis cruisers and destroyers. AR, Tab 6, C/PAT Report, at 10.

government would evaluate the degree to which the proposal met the government's desired level of rights in TD/CS/CSD and enabled the government to adequately sustain the end item deliverables over their lifecycle, including maintenance, repair, and upgrade. Id. at 343. The RFP advised that in the event an offeror proposed to deliver commercial or non-commercial TD/CS/CSD with less than government purpose rights, the government would evaluate the adverse impact on the government's ability to use, modify, release, or disclose such TD/CS/CSD. Id. at 343.

The protester contends that its proposal should have received additional strengths or significant strengths under the data rights factor because it secured unlimited non-commercial rights from its subcontractors and offered unlimited rights in other tools useful to the agency. Protest at 36-37. The agency contends that its conclusion regarding proposals was reasonable. In this regard, the agency explains that by assigning the highest adjectival rating for this factor, it acknowledged that Raytheon's proposal offered an exceptional approach to data rights and it recognized the unlimited rights Raytheon proposed in other tools, "including data developed as part of the Offeror's own investment, for the [SSDS] program." Memorandum of Law (MOL) at 19, 22, citing AR, Tab 5, SSEB Report, at 16. The agency also contends that Raytheon's coordination with subcontractors was an exercise of the due diligence expected of any offeror when making a claim to the government. MOL at 22.

To the extent Raytheon contends that it was entitled to additional strengths, an agency's judgment of whether to assess unique strengths is a matter within the agency's discretion and one that we will not disturb where the protester has failed to demonstrate that the evaluation was unreasonable. See Lukos, LLC, B-416343.2, Aug. 13, 2018, 2018 CPD ¶ 282 at 6 (an agency is not required to assign additional strengths where its evaluation was reasonable). Here, the record shows that the SSEB found both Lockheed's and Raytheon's proposed approaches offered unlimited non-commercial data rights, exceeded the government's request for a minimum of government purchase rights, and, as a result, rated each offeror's proposal under this factor as outstanding. AR, Tab 5, SSEB Report, at 15, 33. While the protester may believe that it is entitled to additional strengths, the agency was aware of the benefits of Raytheon's proposal and the protester has not shown that the agency's assignment of strengths was unreasonable. This protest ground is denied.¹⁴

¹⁴ We find untimely the protester's assertion in its supplemental comments that Lockheed's commercial data rights failed to demonstrate that Lockheed granted the government the equivalent of government purpose rights. Supp. Comments, Oct. 25, 2019, at 13. Although the protester received Lockheed's proposal in the October 4 agency report, this argument was first raised on October 25, more than 10 days later. Accordingly, we dismiss this allegation. See 4 C.F.R. § 21.2(a)(2).

Cost Realism Analysis

The protester challenges the agency's cost realism evaluation, asserting that the agency improperly adjusted proposed costs and failed to adequately document its analysis.¹⁵ Comments and Supp. Protest at 37.

When an agency evaluates a proposal for the award of a cost-reimbursement contract, an offeror's proposed costs are not considered controlling because, regardless of the costs proposed, the government is bound to pay all actual, allowable costs. FAR § 15.404-1(d)(1); Rollout Sys., LLC, B-414145, Feb. 24, 2017, 2017 CPD ¶ 104 at 5. Consequently, an agency must perform a cost realism analysis to evaluate the extent to which an offeror's proposed costs are realistic for the work to be performed. FAR § 15.404-1(d)(2); Acquisition Servs. Corp., B-409570.2, June 18, 2014, 2014 CPD ¶ 197 at 13. However, an agency is not required to conduct an in-depth cost analysis, or to verify each and every item in assessing cost realism; rather, the evaluation requires the exercise of informed judgment by the contracting agency. Id. An agency's cost realism analysis need not achieve scientific certainty; rather, the methodology employed must be reasonably adequate and provide some measure of confidence that the rates proposed are reasonable and realistic in view of other cost information available to the agency as of the time of its evaluation. DynCorp Int'l LLC, B-411465, B-411465.2, Aug. 4, 2015, 2015 CPD ¶ 228 at 8.

The RFP required offerors to complete BOEs (basis of estimates) that provided sufficient information to substantiate an offeror's proposed labor mix and hours under the completion CLINs. RFP at 351-52. Additionally, the RFP required offerors to provide substantiating data to support the realism of proposed costs that did not replicate information found in an offeror's BOEs. Id. at 361. The RFP advised that if an offeror's BOEs used historical experience from relevant programs, the offeror should reference the analogous program and calculate actual costs. Id. at 352-53. The RFP established that the Navy would perform a cost realism analysis of the cost-reimbursable CLINs, and that proposed costs could be adjusted to reflect the government's estimate of the most probable cost of performing the work. Id. at 397.

¹⁵ Raytheon also raises arguments similar to those we reviewed under the technical approach factor. For example, Raytheon argues that it was unreasonable to accept the Aegis contract as a basis of estimate because while Lockheed had extensive knowledge and experience on the Aegis program, it had none on the SSDS program. See Comments and Supp. Protest at 39. Raytheon further argues that Lockheed's labor mix was unreasonable because it differed from Raytheon's--the 26-year incumbent. Id. at 43-44. The C/PAT report explains that it found the Aegis contract to be highly analogous to the SSDS effort in that both deal with complex, mature combat systems for Navy service members that individually integrate several common weapon/sensor systems. AR, Tab 6, C/PAT Report, attach. 2, Lockheed Cost Realism Analysis, at 10. Additionally, the cost realism analysis would evaluate whether an offeror's proposed costs were realistic based on the proposal's substantiating documentation, not the incumbent contractor's performance. RFP at 358.

The RFP also notified offerors that their proposed costs would be adjusted upward if their proposed hours, direct labor, or indirect rates were determined unrealistic. Id.

Raytheon contends that the agency's cost realism analysis lacked sufficient documentation because it did not provide the specific calculations used to arrive at the most probable cost. Comments and Supp. Protest at 37. The protester also argues that the most probable cost adjustments for Lockheed's proposal were flawed and should have been greater. Id. at 38-39. For example, the protester offers calculations from its cost consultant, asserting that Lockheed's TEC/P should have been higher because the agency understated the impact of the adjustment to Lockheed's proposed hours. Id. at 39-40.

The agency argues that the cost realism analysis is adequately documented and explains that the C/PAT report identified the methodology for evaluating an offeror's proposed hours, including evaluating Lockheed's BOEs to determine whether the historical programs were analogous to this contract and the degree to which the historical references were a realistic basis of estimate. Supp. MOL, Oct. 22, 2019, at 24-25. The agency also explains that the C/PAT report clearly documented the labor hour adjustments and the rationale for adjustment. Id. at 26.

The cost realism analysis in this case is well documented and reasonable. See AR, Tab 6, C/PAT Report. The report included an attachment for each offeror that included a detailed narrative and charts of adjustments to hours and labor rates by labor category and year. See, e.g., AR, Tab 6, C/PAT Report, attach 1, Raytheon Cost Realism Analysis, at 13-15 and attach 2, Lockheed Cost Realism Analysis, at 16-21. The C/PAT report also details the agency's methodology for evaluating and adjusting proposed costs and hours, the rationale for accepting BOE contracts, and the specific conclusions reached considering each offeror's proposed technical approach. AR, Tab 6, C/PAT Report, Attach. 2, Lockheed Cost Realism Analysis, at 3, 9-13, 16-25.

Additionally, the record shows that where the agency found Lockheed's proposed labor rates or hours to be too low, it adjusted these areas to a realistic level based on substantiating data provided in Lockheed's proposal. Id. at 12-13, 16. In this regard, the agency adjusted Lockheed's proposed hours to either historical data provided as justification or the current SSDS baseline, and adjusted proposed labor rates to either escalated historical rates or to rates identified in Lockheed's forward pricing rate recommendation. Id. at 13, 21. Although Raytheon argues the agency should have made more significant upward adjustments to Lockheed's proposed costs, it fails to show that the adjustments made by the agency were unreasonable.

The protester also argues that after the C/PAT upwardly adjusted Lockheed's labor hours, the agency was required to reassess Lockheed's technical understanding to ensure Lockheed understood the contract requirements. Comments and Supp. Protest

at 17; 46.¹⁶ The agency asserts that the record shows that the C/PAT reviewed BOEs associated with the proposed labor hours and consulted with the SSEB lead to determine if the basis for the hours proposed was realistic, and that the SSEB was aware of and accepted the adjusted hours. Supp. MOL, Oct. 22, 2019, at 10, citing, AR, Tab 6, C/PAT Report, at 9. The agency further asserts, through a declaration from the SSEB Chair, that the SSEB not only worked closely with the C/PAT to jointly review the BOEs to assess the realism of the proposed hour and labor mix, but also was aware of the adjustments and cost risks documented in the C/PAT Report when it evaluated Lockheed's understanding of the contract requirements. Id.; AR, Tab 13, Declaration of SSEB Chair, at 1. The protester responds that the SSEB report does not show the SSEB's contemporaneous conclusions regarding the adjustments, and the agency's post-hoc declaration that the SSEB was aware of the adjustments should be disregarded. Supp. Comments, Oct. 25, 2019, at 10-11.

The record shows that the SSEB consulted with the C/PAT in reviewing BOEs associated with proposed labor hours to determine if the basis for proposed hours was realistic, and in adjusting Lockheed's proposed hours. AR, Tab 6, C/PAT Report, at 9, 12-13. Specifically, as stated in the SSEB chair's declaration, the SSEB and C/PAT worked closely to review the BOEs for realism of Lockheed's proposed hours and labor mix, and the SSEB was aware of adjustments and cost risks associated with Lockheed's proposal. AR, Tab 13, Declaration of SSEB Chair, at 1. The SSAC concurred with and "[adopted] all of the analysis documented in the SSEB and C/PAT reports" as the SSA did with the SSEB, C/PAT, and SSAC reports. AR, Tab 7, SSAC Report, at 3; Tab 8, SSA Memo, at 2. The SSA also noted that Lockheed's proposal had a cost/price advantage "after the C/PAT applied all of the adjustments from its detailed cost realism analysis," which identified Lockheed's cost risk. AR, Tab 5, SSEB Report, at 26; Tab 8, SSA Memo, at 3.

On this record, we see no basis to object to the agency's consideration of Lockheed's proposed hours.¹⁷ The record shows that the agency's evaluation considered adjustments to and risk associated with Lockheed's proposal. To the extent the protester is asserting that the SSEB report was required to specifically document its consideration of adjusted hours, we have explained that an agency is not required to document all "determinations of adequacy" or explain why a proposal did not receive a strength, weakness, or deficiency for a particular item. Building Operations Support Servs., LLC, B-407711, B-407711.2, Jan. 28, 2013, 2013 CPD ¶ 56 at 5. We find that the Navy's cost realism analysis was reasonable and that Raytheon's arguments to the

¹⁶ Raytheon raises a similar allegation in challenging the agency's technical evaluation. Comments and Supp. Protest at 17. For simplicity, we address our response to both arguments here.

¹⁷ In this regard, we accept the SSEB Chair's declaration as providing a detailed rationale that is credible and consistent with contemporaneous conclusions rather than a post-hoc rationalization. See, e.g., GloTech, Inc., B-416967, Jan. 15, 2019, 2019 CPD ¶ 59 at 5 n.10.

contrary reflect its disagreement with the agency's judgments, which do not provide a basis to sustain the protest. See, e.g., Star Contract Servs., LLC, B-409424, Apr. 23, 2014, 2014 CPD ¶ 133 at 8.

Best-Value Tradeoff

Raytheon raises multiple challenges to the agency's best-value tradeoff. For example, the protester asserts that the agency's tradeoff considerations under the technical approach and data rights factors were flawed and argues that the SSAC minimized the four discriminators identified in Raytheon's proposal under the technical approach factor.¹⁸ Comments and Supp. Protest at 20, 63, 71. We find no merit to these arguments.

Source selection officials in negotiated procurements have broad discretion in determining the manner and extent to which they will make use of the technical and price results; cost/technical tradeoffs may be made and the extent to which one may be sacrificed for the other is governed only by the tests of rationality and consistency with the RFP's evaluation factors. Environmental Chemical Corp., supra, at 18. A protester's disagreement with the agency's determinations as to the relative merits of competing proposals, or disagreement with its judgment as to which proposal offers the best value to the agency, does not establish that the source selection decision was unreasonable. General Dynamics-Ordnance & Tactical Sys., B-401658, B-401658.2, Oct. 26, 2009, 2009 CPD ¶ 217 at 8.

Raytheon first contends that a portion of the agency's tradeoff findings were flawed. Specifically, Raytheon argues that the agency improperly concluded that many of Raytheon's strengths were offset by strengths assigned to Lockheed's proposal. Comments and Supp. Protest at 65. As one example, Raytheon contends that the significant strength assigned to Lockheed's proposal for pre-contract investment [DELETED] was not more valuable than the combined benefit of Raytheon's significant strength for the immediate availability of [DELETED] at the system integration laboratory (SIL), coupled with its strength for investing in technology.¹⁹ Id. at 66.

The record shows that the SSEB assigned Lockheed's proposal a significant strength under the technical approach factor based on Lockheed's pre-contract investment to

¹⁸ The agency lists, in essence, the four significant strengths identified as discriminators as follows: (1) exceptional SSDS experience; (2) a low risk approach to identifying threats more quickly and accurately; (3) capital investment in systems that reduced risk for the ACB 20 development and integration effort; and (4) the approach to meeting the solicitation's objective requirements. Tab 8, SSA Memo at 2; Tab 5, SSEB Report, at 3, 5-6.

¹⁹ The RFP required an offeror to maintain a system integration laboratory for development, integration, and testing of SSDS software and hardware. RFP at 136.

create a [DELETED]. AR, Tab 5, SSEB Report, at 22. The SSEB concluded that this pre-contract effort showed Lockheed's ability to [DELETED] the processing hardware of HTI-16, the most up-to-date HTI, and to provide an early start and reduced risk in meeting an aggressive test site delivery schedule for ACB 20.²⁰ Id. The SSEB also stated that the investment appreciably reduced technical and schedule risk. Id. In reaching this conclusion, the SSEB cited the following statement from the awardee's proposal: "[t]his investment completes half of the functionality required to conduct [testing]." Id. With regard to the significant strength for [DELETED] identified in Raytheon's proposal, the SSEB report stated that technical and schedule risk would be appreciably reduced due to Raytheon's SIL having [DELETED], most of the HTI-16 hardware set in place, and having demonstrated experience and knowledge of various HTIs, including HTI-16. Id. at 6.

The SSAC viewed each of these strengths as involving current or prior investment/preparation that would allow each offeror to proceed quickly into development and reduce the startup risk. AR, Tab 7, SSAC Report, at 8. Additionally, the SSAC stated that Lockheed's significant strength for pre-contract investment [DELETED] provided the greatest risk reduction over the startup period because Raytheon's significant strength had limited applicability to the HTI-16 hardware. While the SSAC also noted Raytheon's strength for investing in technology, the SSAC concluded that there was no basis to differentiate between offerors in this area. Id.

Raytheon contends that its "real hardware" was more valuable than Lockheed's [DELETED] investment and that the agency should have concluded that Lockheed's [DELETED] investment would provide only half of the required functionality. Comments and Supp. Protest at 66. The agency responds that Raytheon's contention that [DELETED] of HTI-16 hardware is more valuable than Lockheed's [DELETED] HTI-16 hardware is not valid because Raytheon does not provide a full suite of HTI-16 hardware. Supp. MOL, Oct. 22, 2019, at 53-54. Additionally, the agency responds that Lockheed's approach goes well beyond the minimum requirement on initial investment and that the protester's interpretation of the statement regarding the functionality of Lockheed's investment confuses Lockheed's head start on meeting requirements with a risk that requirements would not be fully completed. Id.

We find no basis to sustain the protest. Raytheon's assertions constitute disagreement with the agency's judgment which, without more, provides no basis to sustain the protest. General Dynamics-Ordnance & Tactical Sys., supra. Arguments that the agency should have valued Raytheon's assigned strengths more favorably do not demonstrate why the agency's conclusions were unreasonable. Additionally, the protester's insistence that its strengths offered a greater benefit than Lockheed's strengths is not supported by the record. The record shows that the agency considered the individual benefit of each offeror's strengths and significant strengths, and offset

²⁰ The agency cited two additional elements that provided an appreciable benefit. AR, Tab 5, SSEB Report, at 21.

certain elements where the agency concluded that it would receive the same benefit from both offerors. Thus, we find no basis to object to the agency's actions.

Raytheon also argues that the agency erred in finding its proposal to be essentially equal to Lockheed's under the data rights factor because the agency recognized the benefit of Raytheon's commercial and non-commercial approach, which offered a discernable advantage over Lockheed's proposal. Comments and Supp. Protest at 21. The agency acknowledges minor differences between the offerors' proposals and explains that in considering the offerors' approaches, the unlimited data rights for non-commercial TD/CS/CSD offered by both companies provided a meaningful benefit to the agency.²¹ Supp. MOL, Oct. 22, 2019, at 50-51.

The record shows that the SSAC and the SSA concurred with the findings of the SSEB and the SSA independently reviewed the offerors' proposals and considered each to be essentially equal under the data rights factor based on comparing the relative merit of each offeror's proposed approach to providing data rights.²² AR, Tab 7, SSAC Report, at 3; Tab 8, SSA Memo, at 2, 4. In light of the SSA's independent review of the underlying approaches presented by both offerors' proposals, in addition to the SSA's review of the SSEB's findings, we see no basis to question the SSA's conclusions or find the agency's best-value decision unreasonable or otherwise improper. Without more, the protester's disagreement with the agency's evaluation, specifically the weight the agency assigned to its proposed commercial data rights, does not provide a basis to find the evaluation unreasonable.

Finally, to the extent Raytheon contends that the SSAC failed to give Raytheon's four technical discriminators the weight they deserve, this assertion is not supported by the record. The agency reviewed and was aware of the relative merits of Raytheon's discriminators. The SSAC report and SSA memo both clearly acknowledge that these discriminators provided Raytheon's proposal an advantage over Lockheed's under the technical approach factor. AR, Tab 7, SSAC Report, at 3; Tab 8, SSA Memo, at 3-4. Although the protester characterizes the SSAC's and SSA's determination that Raytheon's technical advantage was not worth the associated \$48 million premium as "minimizing" the SSEB's conclusions, the agency's actions demonstrate the essence of a best-value tradeoff, *i.e.*, a judgment on the part of the agency regarding whether the technical superiority of a higher-priced offer is worth its added cost. FAR § 15.101-1; DeLeon Tech. Servs., Inc.; TekStar, Inc., B-288811.2, et al., Dec. 12, 2001, 2002 CPD ¶ 10 at 3. As this tradeoff process was contemplated by the solicitation, which cited FAR § 15.101-1, Tradeoff Process, we find no merit to the protester's allegations.

²¹ The agency supports its assertions through a declaration provided by the SSAC chair. AR, Tab 15, Declaration of SSAC Chair, at 2.

²² In this regard, we accept the SSAC Chair's declaration as providing a detailed rationale that is credible and consistent with contemporaneous conclusions rather than a post-hoc rationalization. See e.g., GloTech, Inc., supra.

In sum, although Raytheon disagrees with the agency's evaluation of proposals, the record demonstrates that at every step in the procurement, the agency considered all of the information submitted by the offerors and available to the agency, and issued well-reasoned and rational evaluation reports before making a best-value tradeoff that extensively highlighted key discriminators between the protester's and awardee's proposals. Accordingly, Raytheon's challenges of the agency's evaluation are denied.

Based on our conclusions above, we need not address Raytheon's challenges to the upward cost adjustment the agency made to Raytheon's proposal and the agency's conduct of discussions regarding this adjustment. Even if we were to agree with Raytheon regarding these grounds, Raytheon cannot demonstrate prejudice. In this regard, the SSA's award memo specifically stated "[e]ven in [the] best-case scenario" of accepting Raytheon's proposed costs, "the premium between Raytheon's proposed price and Lockheed's evaluated price (accounting for adjustments and risk) was too high to justify award to Raytheon based on its technical superiority under [the technical approach factor]." AR, Tab 8, SSA Memo, at 4. Competitive prejudice is an essential element of every viable protest and where none is shown or otherwise evident from the record, we will not sustain a protest, even if the agency's actions arguably are improper. DynCorp Int'l, LLC, supra, at 12-13.

The protest is denied.

Thomas H. Armstrong
General Counsel