441 G St. N.W. Washington, DC 20548 Comptroller General of the United States

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Decision

Matter of: DynCorp International LLC

File: B-414647.2; B-414647.3

Date: November 1, 2017

Lawrence S. Sher, Esq., Lawrence P. Block, Esq., Elizabeth G. Leavy, Esq., and Sarah S. Wronsky, Esq., Reed Smith LLP, for the protester.

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Erika L. Whelan Retta, Esq., Alexis J. Bernstein, Esq., and Nicole R. Fincham, Esq., Department of the Air Force, for the agency.

Noah B. Bleicher, Esq., and Peter H. Tran, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

- 1. Protest challenging agency's evaluation of its past performance is denied where evaluation was reasonable, supported by the record, and in accord with the solicitation.
- 2. Protest alleging that agency evaluated offerors' past performance unequally is denied where record included documented instances of adverse performance for protester and awardee, but the offerors' ability to effectively implement corrective measures reasonably resulted in different past performance assessments.
- 3. Agency's best-value determination is unobjectionable where the decision was consistent with the solicitation, supported by the underlying evaluation findings, and adequately documented.

DECISION

DynCorp International LLC, of McLean, Virginia, protests the Department of the Air Force's award of a contract to L-3 Communications, Vertex Aerospace, of Madison, Mississippi, under solicitation No. FA8106-15-R-0007, which the Air Force issued for C-12 aircraft logistics support. L-3 was also the incumbent contractor providing these services. DynCorp objects to the agency's evaluation of the offerors' past performance and the source selection decision.

We deny the protest.

BACKGROUND

The Air Force issued the request for proposals (RFP) on January 5, 2016, for the award of a primarily fixed-price, indefinite-delivery, indefinite-quantity (IDIQ) contract for up to a 10-year period of performance, including option periods. Agency Report (AR), Tab 8, RFP, at 1, 82, 130. The awardee was to provide contractor logistics support (CLS) for the Air Force's fleet of 29 C-12 aircraft, which are spread out among 20 locations around the world. RFP at 8-70; Contracting Officer's Statement (COS) at 2. The CLS was to cover all support actions required for operating and maintaining the aircraft, aircraft subsystems, and support equipment. AR, Tab 8, RFP, Performance Work Statement (PWS), at 2. Tasks included site operations, a contractor-operated main base supply (COMBS), aircraft maintenance, propeller and engine overhaul services, aircraft inspection and modifications, and engineering support, among others. Id. at 6-15.

The agency explains that due to the small number of aircraft at each location, and the lack of available backup aircraft, "strong performance quality" from the C-12 CLS contractor would be essential to the success of the C-12 mission. COS at 2, 16. In this respect, the solicitation provided that the agency would award the contract to the responsible offeror whose proposal represented the best value to the government based upon an integrated assessment of technical, technical risk, past performance, and price. RFP at 323, 326. Technical acceptability was a prerequisite to the best-value analysis, which contemplated a tradeoff between the technical risk, past performance, and price factors. Id. at 326. Pursuant to the RFP, the technical risk and past performance factors were "approximately equal and individually more important" than price. Id. When combined, the technical risk and past performance factors were "significantly more important" than price. Id. In addition, the RFP advised that the agency could make award to a higher-rated, higher-priced offeror if the source selection authority determined that the "superior technical risk and/or superior past performance

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¹ The solicitation was amended five times. Because the amendments did not alter the portions of the RFP relevant to this protest, citations in this decision are to the initial version of the RFP, unless otherwise indicated.

² The C-12's mission includes operational support to U.S. embassies, personnel movement missions for Pacific Air Force, and medevac and radar site support for critical test missions at Edwards Air Force Base and Holloman Air Force Base. COS at 2.

³ The RFP identified four technical subfactors that correlated to the CLS requirements, and which were to be evaluated on an acceptable/unacceptable basis: program management, maintenance, supply support, and transition. RFP at 326-29. Pursuant to the RFP, an acceptable rating was required under each technical subfactor for the proposal to be considered for award. Id. at 327.

of the higher priced offeror outweigh[ed] the price difference with lower priced offerors." <u>Id.</u> at 323.

Central to DynCorp's protest is the agency's evaluation under the past performance factor. With respect to past performance, the RFP instructed offerors to submit past performance information (PPI) using an electronic PPI tool. Id. at 290, 304-313 (instructions for using PPI tool). Offerors were to create a separate entry for each past performance effort submitted for review.⁴ Offerors were to complete numerous fields about each effort, such as the contract type, dollar value, and a brief description of the effort, including an explanation of why the performance was relevant (based on each of the technical subfactors) and any problems encountered on the identified contract. Id. at 308-11. In this respect, the RFP advised that offerors should "clearly demonstrate management actions employed in overcoming problems . . . in terms of improvements achieved or problems rectified," which could result in the offeror being considered a "higher confidence candidate." Id. at 291. The RFP also required the submission of past performance questionnaires (PPQs) for each of the efforts identified in the PPI tool. ld. The questionnaires contemplated both adjectival ratings for various elements (in line with the technical subfactors), as well as a narrative assessment of the offeror's performance. Id. at 314-18.

In evaluating proposals under the past performance factor, the RFP provided that the Air Force would assess "the degree of confidence the Government has in the offeror's ability to supply products and services that would meet users' needs, including cost and schedule, based on a demonstrated record of performance." <u>Id.</u> at 330. The agency would perform an integrated performance confidence assessment at the factor-level, after evaluating the recency and relevancy, and assessing the quality of performance, for each effort. <u>Id.</u> at 331, 334. More relevant past performance would have a greater impact on the performance confidence assessment than less relevant efforts; more recent past performance would have a greater impact than less recent performance.⁵ <u>Id.</u> at 331.

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⁴ Although there was no restriction on the number of contracts an offeror could submit for review, the RFP requested that offerors submit no more than four contracts for the prime and three for each significant subcontractor/teaming partner. RFP at 291.

⁵ The RFP defined recent as having been performed within 3 years of the date the solicitation was issued. RFP at 331. Further, if any part of the performance fell within the 3-year timeframe, the contract "in its entirety" could be evaluated for past performance. <u>Id.</u> With respect to relevancy, the RFP provided that the Air Force could consider "things such as similar service, similar complexity of the effort, breadth and depth of skills, similar contract scope and type, contract magnitude and schedule." <u>Id.</u> The RFP identified specific considerations (in order of greater relevancy to least relevancy) that would inform an assessment of relevancy in regard to scope, magnitude, and complexity of the past performance effort. <u>Id.</u> at 332-33.

Pursuant to the solicitation, the Air Force would assess the quality of performance for each effort based on an "in-depth evaluation" of the PPQ responses, past performance information retrieval system (PPIRS), contractor performance assessment reports (CPARs), and interviews with government customers. Id. at 333. The RFP advised that the quality assessment could result in positive or adverse findings, and defined adverse information as that which "supports a less than satisfactory rating on any evaluation element or any unfavorable comment received from sources without a formal rating system." Id. For adverse information, the agency would consider "the number and severity of the problem(s), mitigating circumstances, and the effectiveness of corrective actions that have resulted in sustained improvements." Id.

The Air Force received proposals from three firms, including DynCorp and L-3, prior to the solicitation's March 7 due date. COS at 7. The agency's source selection evaluation team (SSET) performed an initial evaluation of proposals, established a competitive range that included DynCorp and L-3, and opened discussions with the firms. Id. at 8; AR, Tab 7, Competitive Range Determination, at 1-4. Following discussions and the submission of final proposal revisions (FPRs), the SSET evaluated DynCorp's and L-3's proposals as follows:

	DynCorp	L-3
Technical		
Program Management	Acceptable	Acceptable
Maintenance	Acceptable	Acceptable
Supply Support	Acceptable	Acceptable
Transition	Acceptable	Acceptable
Technical Risk	Low	Low
Past Performance	Satisfactory Confidence	Substantial Confidence
Total Evaluated Price	\$293,093,931	\$299,965,743

⁶ The agency would assign the following quality ratings: exceptional, very good, satisfactory, marginal, unsatisfactory, not applicable, or unknown. RFP at 334.

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⁷ The Air Force reserved the right to use "all information available to fully assess the offeror's past performance." RFP at 331.

AR, Tab 3, Proposal Analysis Report (PAR), at 166, 180. In assigning DynCorp's proposal a satisfactory confidence past performance rating, the record reflects that the past performance evaluation team (PPET) considered DynCorp's past performance to be very relevant to somewhat relevant with marginal to exceptional performance quality. Id. at 171-72. The evaluators, however, highlighted as "tradeoff considerations" that DynCorp had adverse performance in either the program management or supply support area for three contracts. Id. With respect to L-3's proposal, the evaluators found L-3's past performance to be very relevant to relevant with exceptional to satisfactory performance quality ratings. Id. at 185-86. Although the evaluators described "some quality issues" and documented adverse performance issues, the evaluators did not specifically identify any tradeoff considerations with respect to L-3's past performance. Id.

The source selection authority (SSA) was briefed on the evaluation results and prepared a source selection decision document (SSDD) explaining his best-value determination. AR, Tab 58, Initial SSDD, April 11, 2017, at 1-19. The SSA noted that DynCorp and L-3 were both rated as acceptable and low risk, and that L-3 was considered superior with respect to past performance. <u>Id.</u> at 10, 15. Specifically, the SSA highlighted that L-3 was the only offeror that had "full relevancy in all areas of scope, magnitude and complexity along with successful performance quality and no significant adverse performance issues." <u>Id.</u> at 15. In selecting L-3 for award, the SSA explained that "L-3's overall stronger performance quality provides a higher confidence they will successful meet contract requirements with few performance issues." <u>Id.</u> at 18-19. Ultimately, the SSA concluded that "the benefits provided by L-3's superior performance quality" warranted the 2.34 percent price premium, and the firm was awarded the contract on April 21. Id. at 19; COS at 11.

DynCorp protested the April award decision. AR, Tab 54, DynCorp Protest (B-414647), May 3, 2017. In response, the agency promptly elected to take corrective action, which was to include reopening discussions regarding cost/price issues and a new source selection decision. AR, Tab 55, Notice of Corrective Action, at 1-2. Even though the agency did not commit to addressing all of the issues raised by DynCorp (including, for example, its past performance challenges), the fact that the corrective action contemplated a new award determination rendered DynCorp's protest academic, and, accordingly, our Office dismissed the protest. DynCorp Int'I, LLC, B-414647, May 31, 2017 (unpublished decision).

The corrective action only included a reevaluation under the price factor; initial evaluation findings under the non-price factors were to "carry forward." AR, Tab 38, Second Request for FPRs, at 1. After the submission and evaluation of updated price proposals, DynCorp's total evaluated price decreased by \$6.4 million; L-3's price was unchanged. AR, Tab 52, Final Briefing to SSA, at 71, 100. Notwithstanding the now 4.65 percent price premium, the SSA once again selected L-3 for award. AR, Tab 6, Final SSDD, July 14, 2017, at 19. Following a detailed debriefing by the Air Force, DynCorp again protested the award of the contract to L-3. See AR, Tab 53, Debriefing, July 18, 2017, at 1-52.

DISCUSSION

DynCorp primarily protests the agency's evaluation of past performance. The protester argues that three marginal performance quality ratings assigned to elements of its past performance were not supported by the record. DynCorp further asserts that L-3's overall substantial confidence rating was irrational because it was based on an erroneous, incomplete summary of L-3's adverse past performance. Finally, DynCorp objects to the source selection decision, which the protester maintains was based on the flawed past performance evaluations. We have considered all of the protester's allegations and find no basis on which to sustain DynCorp's protest.

DynCorp's Past Performance

In evaluating offerors' past performance, the agency considered the past performance examples submitted by the offerors, as well as those identified by the agency. The agency assessed the relevancy and past performance quality for each effort under five elements: program management, maintenance, supply support, transition, and contract type/price. See AR, Tab 3, PAR, at 169-72, 183-86. For each effort, the PPET assigned a separate relevancy and past performance quality rating under each of the elements; overall ratings for each effort were not assigned. See id. To assess performance quality, the PPET reviewed CPARs and PPQs, interviewed cognizant government officials, and conducted discussions with offerors regarding adverse information. See id. Each offeror's relevancy ratings and performance quality ratings informed the agency's performance confidence assessment.

With respect to DynCorp, the Air Force considered the firm's performance on seven prior contracts. AR, Tab 30, DynCorp Final Past Performance Worksheets, at 11. The PPET reviewed each contract for relevancy and performance quality across the five

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⁸ DynCorp raised various protest allegations in addition to its past performance challenges. In subsequent pleadings, however, the protester either expressly withdrew these protest grounds, or effectively abandoned the arguments by failing to substantively respond to the agency's report regarding the issues. <u>See, e.g.,</u> Protest at 11-13 (arguing that the agency failed to consider certain alleged negative past performance information about L-3; arguments not addressed by DynCorp in subsequent pleadings); Comments/Supp. Protest at 1 n.1 (withdrawing disparate treatment argument with respect to the transition plan requirements and related to the use of consigned inventory); Supp. Comments at 1 n1. (withdrawing objection to evaluation of L-3's small business subcontracting plan). As such, these protest arguments will not be considered further.

⁹ If the past performance effort did not encompass tasks associated with a particular element, a "not relevant" rating was assigned for that element and performance quality was not assessed. See AR, Tab 3, PAR, at 170, 185.

elements. 10 DynCorp's contract with the Department of State's Bureau for International Narcotics and Law Enforcement Affairs, Office of Aviation (INL/A) was considered to be the firm's "strongest" contract with relevant to very relevant ratings across the five elements. Id. With respect to performance quality, the PPET rated DynCorp's past performance primarily as very good (under 14 elements), with an exceptional rating and five satisfactory ratings. AR, Tab 3, PAR, at 170. Significantly, the PPET rated DynCorp's past performance as marginal under three elements for three different contracts: supply support for DynCorp's INL/A contract; supply support for DynCorp's joint primary aircraft training system (JPATS) aircraft sustainment support contract with the Navy; and program management for DynCorp's C-21 CLS contract with the Air Force. Id.; AR, Tab 30, DynCorp Final Past Performance Worksheets, at 2, 6, and 8. The record reflects that the PPET assigned marginal ratings to the three contracts due to what the evaluators considered "adverse performance issues." AR, Tab 30, DynCorp Final Past Performance Worksheets, at 11-12. The PPET ultimately concluded that DynCorp would "successfully perform the required effort for the C-12 CLS contract," and assigned the firm a satisfactory confidence rating. Id. at 12-13.

DynCorp objects to the three marginal ratings, arguing that the ratings are not supported by the record and are inconsistent with the CPARs. Protest at 15-22. DynCorp further contends that its overall satisfactory confidence rating is irrational because it is based on the agency's "selective reliance on one-off comments" made in the narrative portions of the CPARs or during the past performance interviews. Comments/Supp. Protest at 7.

Here, we find reasonable the agency's evaluation of DynCorp's past performance. In this respect, the PPET's determination that DynCorp's past performance record included three adverse performance issues is unobjectionable. As noted above, the RFP defined adverse as "past performance information that supports a less than satisfactory rating on any evaluation element or any unfavorable comment received from sources without a formal rating system." RFP at 333. In this respect, contrary to DynCorp's arguments, the CPAR ratings alone did not control whether an offeror's past performance record included adverse issues. Instead, the record reflects that the evaluators considered various sources of information and reasonably reached the conclusion that DynCorp had not effectively implemented actions to remedy performance issues described in the CPARs. 11

¹⁰ Of DynCorp's seven past performance efforts, only two were assessed for quality under each of the five elements. <u>See</u> AR, Tab 3, PAR, at 170. The other five contracts were deemed not relevant (or rated as unknown quality) with respect to maintenance, transition, and/or contract type. <u>See id.</u>

¹¹ In any event, even if our Office were to accept that one of the marginal ratings was unreasonable--a conclusion we do not reach--we fail to see how a single rating change for one element of one contract would alter the contract award in favor of DynCorp, such that the firm suffered competitive prejudice. In other words, in our view, DynCorp (continued...)

As an illustrative example, we discuss below the marginal rating assigned to the supply support element of DynCorp's INL/A contract. DynCorp had been performing the contract, which involved aviation support services at various locations overseas, since May 2005. In evaluating DynCorp's performance on the effort, the PPET reviewed CPARs that covered November 2010 through October 2014; interviewed the INL/A chief of logistics, the administrative contracting officer (ACO), and the program's contacting officer representative (COR); considered a PPQ filled out by the ACO and COR; and provided DynCorp an opportunity to respond to adverse information as part of discussions. AR, Tab 17, DynCorp Past Performance Information (PPI) for INL/A Contract, at 1-37; Tab 21, Past Performance Evaluation Notice (EN) for INL/A Contract, at 1-4. Ultimately, the PPET rated DynCorp's performance quality as satisfactory under the program management, maintenance, and contract type/price elements, and marginal under the "very relevant" supply support element. AR, Tab 30, DynCorp Final Past Performance Worksheets, at 4-7.

In assigning the marginal rating, the PPET observed that DynCorp encountered "problems with supply support" and "did not meet some contract requirements" during contract performance. ¹⁴ <u>Id.</u> at 6. The PPET further explained that "[f]or problems encountered, corrective action appeared only marginally effective in CPARs from 2011 to 2014." <u>Id.</u> The PPET also highlighted various concerns specific to supply support that were documented in the CPARs, such as that DynCorp faced "difficultly in maintaining a stock effectiveness rate and parts" and that the firm "[f]ailed to provide senior management emphasis to account for resources needed to remedy the overall excess property/parts problem which impacted cost, waste, and storage capability." <u>Id.</u>, <u>citing</u> AR, Tab 17, DynCorp PPI for INL/A Contract, at 12, 17. The PPET also pointed out an unsatisfactory logistical support rating due to 20 instances in which the contractor failed to process "aircraft on ground" within 1 day; "the standard is zero instances," the

would need to establish that multiple aspects of the agency's evaluation were flawed. Based on our review of the record, DynCorp has failed to do so here.

^{(...}continued)

¹² Supply support involved providing for and managing required material in support of the C-12 CLS program. RFP at 289. Under the supply support technical subfactor, offerors were to provide an approach to managing all material, parts, tools, and support equipment to meet the mission capable rate. Id.

¹³ The evaluators assigned an unknown rating under the transition element because performance information related to this element was not available given that DynCorp had transitioned onto the contract several years prior. AR, Tab 30, DynCorp Final Past Performance Worksheets, at 6.

¹⁴ The RFP defined a marginal rating as follows: "During the contract period, contractor performance is not meeting (or did not meet) some contract requirements. For problems encountered, corrective action appeared only marginally effective, not effective, or not fully implemented. Customer involvement was required." RFP at 334.

PPET explained. <u>Id.</u> In addition, the PPET noted that issues in high NMCS (non-mission capable supply) rates limited the rating for a part of one of the CPARs. <u>Id.</u>

The PPET also expressly acknowledged corrective actions taken by DynCorp, such as the implementation of an excess materials project. <u>Id.</u> Nevertheless, the evaluators concluded that the "trend in quality of supply has consistently been an issue and has yet to be fixed even with intervention from the INL/A Director and additional government personnel providing oversight and guidance for logistics." <u>Id.</u> In addition, despite the agency raising its concerns with DynCorp, the marginal rating did not change following discussions. <u>Id.</u>; <u>see</u> AR, Tab 21, Past Performance EN for INL/A Contract, at 4 ([w]ithout sustained improvement in Supply Support . . . the initial rating remains unchanged"). Ultimately, the PPET focused on "quality issues" in DynCorp's efforts to perform supply support for INL/A, and specifically highlighted "adverse issues in supply chain management" that resulted in the marginal rating for the element. AR, Tab 30, DynCorp Final Past Performance Worksheets, at 11.

The evaluation of an offeror's past performance is within the discretion of the contracting agency, and we will not substitute our judgment for reasonably based past performance ratings. MFM Lamey Group, LLC, B-402377, Mar. 25, 2010, 2010 CPD ¶ 81 at 10. Where a solicitation calls for the evaluation of past performance, we will examine the record to ensure that the evaluation was reasonable and consistent with the solicitation's evaluation criteria and procurement statutes and regulations. Divakar Techs., Inc., B-402026, Dec. 2, 2009, 2009 CPD ¶ 247 at 5. In addition, the relative merits of an offeror's past performance information is generally within the broad discretion of the contracting agency. See Paragon Tech. Group, Inc., B-407331, Dec. 18, 2012, 2013 CPD ¶ 11 at 5. A protester's disagreement with the agency's judgment does not establish that an evaluation was unreasonable. FN Mfg., LLC, B-402059.4, B-402059.5, Mar. 22, 2010, 2010 CPD ¶ 104 at 7.

Our review of the record confirms the reasonableness of the PPET's assessment. In this respect, the CPARs demonstrate that while DynCorp was lauded for certain aspects of its performance, supply support-related concerns were documented as well. For instance, in the 2011-2012 CPAR, in addition to the comments cited by the PPET, the CPAR evaluator noted that DynCorp's "weakness lies in the areas of Aircraft Maintenance and Logistical Support." AR, Tab 17, DynCorp PPI for INL/A Contract, at 13. This same weakness regarding logistical support remained in the 2012-2013 CPAR, and the 2013-2014 CPAR highlighted the related concerns cited by PPET, discussed above. Id. at 18, 23. The CPARs did not include other comments relevant to the PPET's assessment under the supply support element or indicate that DynCorp's approach to logistics improved during performance. In fact, the PPET's March 2016 interview with the program COR (contracting officer's representative) discussed DynCorp's "ongoing problem with supply support." Id. at 26. According to the interview record, the COR reported that DynCorp "displayed a negative trend in providing parts and supply for the Beechcraft aircraft that were and are stationed in Afghanistan and Iraq." Id. The COR also relayed that the State Department created a position to specifically provide oversight and directives to DynCorp. Id. Thus, the record reflects

that supply support remained an ongoing problem at the time the PPET conducted its evaluation.

On this record, we find unobjectionable the agency's assessment that the supply support element for DynCorp's INL/A contract reflected adverse performance, as defined in the RFP. While DynCorp disagrees with this determination, primarily contending that the firm never received less than satisfactory ratings on the CPARs, such disagreement does not demonstrate an unreasonable evaluation. See CLS Worldwide Support Servs., LLC, B-405298.2 et al., Sept. 11, 2012, 2012 CPD \$\frac{1}{2}\$ 257 at 15-16. Indeed, the entirety of the past performance record, including the narrative explanations in the CPARs and the interviews with INL/A officials, supports the reasonableness of the agency's evaluation.

L-3's Past Performance

DynCorp also objects to the evaluation of L-3's past performance. DynCorp argues that the agency failed to consider "significant adverse past performance issues" for L-3, and treated the offers disparately. Comments/Supp. Protest at 4, 10.

The PPET reviewed four L-3 contracts as part of its past performance evaluation, including L-3's incumbent C-12 CLS contract with Air Force, a C-12 CLS contract with the Navy, a C-12 life cycle contractor support contract with the Army, and an aviation support services contract with the Drug Enforcement Agency. AR, Tab 48, L-3 Final Past Performance Worksheets, at 1, 16. The evaluators assessed all elements under all contracts as either relevant or very relevant to the solicitation requirements, with the firm's incumbent effort considered the "strongest contract." AR, Tab 3, PAR, at 185. With respect to performance quality, the PPET rated L-3's past performance as exceptional (two elements), very good (ten elements), satisfactory (six elements), and unknown (two elements); no marginal ratings were assigned. Id. As noted above, the PPET ultimately assigned L-3 a substantial confidence rating under the past performance factor, and L-3's perceived "stronger performance quality" was a primary basis for the SSA's award tradeoff in favor of L-3. Id.; see AR, Tab 6, Final SSDD, July 14, 2017, at 19.

DynCorp primarily objects to the PPET's characterization of L-3's performance on its C-12 support contract with the Army in the PPET's final justification summary. Specifically, the protester argues that while the PPET acknowledged certain adverse performance related to the program management element in that part of its past performance report, the PPET "whitewashed the actual review when they failed to mention any of these significant performance issues in its summary." Comments/Supp. Protest at 5. Because the final justification summary was excerpted into the proposal

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¹⁵ As the agency points out, the ratings definitions in the CPARs differ from those described in the RFP such that CPAR ratings did not automatically correlate with those assigned as part of the PPET's evaluation. See COS at 28-29.

analysis report (PAR) and the source selection decision document (SSDD), DynCorp contends that the SSA's award decision was based on a false and unsupported record. DynCorp further protests that the Air Force's conclusions regarding L-3's past performance on the Army C-12 support contract are the product of a disparate evaluation.

Here, the record confirms the reasonableness of the Air Force's assessment and does not demonstrate an unequal evaluation. First, the evaluators determined that the Army C-12 support effort was very relevant to the solicitation's requirements under each of the five elements. AR, Tab 3, PAR, at 185. To assess performance quality, the PPET reviewed four CPARs that covered performance from February 2012 through January 2016, as well as three PPQs submitted by relevant Army acquisition officials. See AR, Tab 42, L-3 PPI for Army C-12 Contract, at 1-50. The PPET assigned L-3's performance satisfactory ratings under four of the elements, and an unknown rating under the transition element. AR, Tab 48, L-3 Final Past Performance Worksheets, at 11-14. In its final justification, the PPET documented adverse performance issues for the Army C-12 support contract under the maintenance element (due to ground handling incidents and marginal quality of performance ratings in some CPARs), but did not detail any concerns under the program management element. Id. at 16.

The protester focuses on the program management element of the contract. ¹⁶ As the protester points out, the evaluators acknowledged that L-3's first year under review (2012) included "serious issues," such as more than 30 corrective action requests, the issuance of three letters of noncompliance, 16 incidents, and "[m]ajor nonconformances affecting crew safety, [s]afety of [f]light, and well-being of aircraft." See id. at 11-12, citing AR, Tab 42, L-3 PPI for Army C-12 Contract, at 3 (2012 CPAR). The PPET also highlighted schedule delays with L-3's heavy maintenance subcontractor, which were "attributed to a lack of managerial oversight and inadequate processes." Id. at 12, citing AR, Tab 42, L-3 PPI for Army C-12 Contract, at 3 (2012 CPAR). In addition, the evaluators documented that while L-3 had a composite mission capable rate of 87.8 percent during the evaluation period, 18 percent of the fleet was below the contract performance metric. Id.

Notwithstanding these and similar concerns, the PPET rated L-3's performance under the program management element as satisfactory because, according to the PPET, L-3 "took effective corrective action" for any problems encountered. <u>Id.</u> at 11. For instance, the PPET noted that the following year's CPAR highlighted that L-3 was "actively implementing an internal audit program to drive improvement in enforcing quality standards." <u>Id.</u> at 12, <u>citing</u> AR, Tab 42, L-3 PPI for Army C-12 Contract, at 15 (2013)

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¹⁶ The program management element related to the offeror's approach for managing the program, including an understanding and capability for establishing and executing the program. RFP at 288. Aspects of the element encompassed an offeror's management structure, approach for quality assurance, approach for technical and engineering services, and approach and plan to subcontracting with small businesses. <u>Id.</u>

CPAR). Indeed, while the contractor was rated marginal in three out of four CPAR categories relevant to program management in 2012, by the following year those ratings had improved to satisfactory and improved further the following years. ¹⁷ See AR, Tab 42, L-3 PPI for Army C-12 Contract, at 2, 14 (2012 and 2013 CPAR ratings). In fact, the assessing official's comments in the 2013 CPAR cited numerous improvements across multiple areas of performance, from "[q]uality improvements at heavy maintenance facilities," including the addition of managers at these facilities, to "significant improvement" with respect to contract compliance. See id. at 15-17. Throughout the narrative assessment, the assessing official pointed to "[a]ggressive action" taken by L-3 and "marked improvement" in performance. Id.

The two later CPARs in the record reflected even higher ratings, including exceptional ratings in 2014 and 2015 under the management evaluation area. <u>Id.</u> at 21, 29. Likewise, the narratives in those CPARs also document further improvements in L-3's overall performance. For instance, in the 2014 CPAR, the assessing official described improvements in numerous areas of performance, including that "L-3 improved dramatically with management and execution at bed-down sites." <u>Id.</u> at 21-23. In the 2015 CPAR, the assessing official detailed primarily positive performance as well, such as "significant, positive strides" with respect to the accuracy of physical inventory; L-3 management rising quickly to address challenges at bed-down sites and ensure that cost, schedule, and performance were not negatively impacted; and active management of the firm's internal surveillance/audit program. Id. at 30.

In addition, information in the three PPQs described "sustained exceptional [m]aintenance and [o]perational support" with mostly very good and satisfactory ratings. Id. at 44. While one official pointed to L-3's supply chain management in response to a question seeking the "most negative aspects" of L-3's performance, this official indicated that he would not have any reservation about using L-3 in the future on a critical and demanding program. Id. at 39. DynCorp points to no negative statements in the PPQs specific to program management. See id. at 36-50.

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¹⁷ In its protest, DynCorp focuses on marginal ratings assigned to L-3's performance in even earlier years of performance (2010 and 2011), as documented in L-3's proposal. Comments/Supp. Protest at 4-5, 10; see AR, Tab 62, L-3 Past Performance Proposal, at 15. Here, given that the RFP defined recent performance as within 3 years of the January 2016 RFP issuance, and also provided that more recent past performance would have a greater impact on a firm's evaluation, we see nothing objectionable about the agency's decision not to rely exclusively on the 5-year-old ratings in evaluating L-3. See RFP at 331. Indeed, an agency's evaluation of an offeror's past performance should reflect its considered judgment of the quality of the offeror's past performance, consistent with the solicitation, and not a simple count of the differing ratings received. See Global Integrated Security (USA) Inc., B-408916.3 et al., Dec. 18, 2014, 2014 CPD ¶ 375 at 9. Ultimately, DynCorp's preference that L-3's older, lower CPAR ratings dictate the outcome of the evaluation reflects its disagreement with the agency's judgment, and does not provide a basis to sustain the protest.

Thus, the record supports the PPET's conclusion that actions taken by L-3 in its C-12 support contract with the Army resulted in continued improvement in performance, particularly with respect to the program management element DynCorp focuses on in its protest. In this regard, while DynCorp disputes that L-3 demonstrated the ability to implement quick and effective corrective measures, the record demonstrates otherwise, as described above. The satisfactory rating here is particularly unobjectionable given that the RFP required that, for adverse information, the evaluators consider the "number and severity of the problem(s), mitigating circumstances, and the effectiveness of corrective actions that have resulted in sustained improvements." See RFP at 333.

Additionally, we note that in the final justification summary, the PPET focused a larger portion of its rating explanation on the contracts deemed the strongest. See AR, Tab 30, DynCorp Final Past Performance Worksheets, at 11-13; Tab 48, L-3 Final Past Performance Worksheets, at 15-16. Indeed, the RFP provided that more relevant past performance would have a greater impact on the performance confidence assessment than less relevant performance. RFP at 331. For DynCorp, that resulted in a more detailed discussion of its performance on its INL/A contract; for L-3, the PPET's most comprehensive discussion focused on the firm's incumbent C-12 CLS contract with the Air Force, not its C-12 support contract with the Army. See AR, Tab 30, DynCorp Final Past Performance Worksheets, at 11-13; Tab 48, L-3 Final Past Performance Worksheets, at 15-16; Tab 3, PAR, at 170-72, 185-86. Accordingly, we see nothing improper with the PPET's decision not to describe in detail any performance issues related to the program management element in its final justification summary; the adverse performance highlighted for the Army C-12 support contract appropriately related to the maintenance element.

Next, we disagree with DynCorp that the agency's characterization of the competing firms' past performance reflects an unequal evaluation. In this respect, a distinguishing consideration of the past performance records is how well each firm remedied performance issues. Specifically, the record supports the agency's conclusion that L-3's quality issues were "one-off events and did not show a trend." See AR, Tab 3, PAR, at 185. In addition, the past performance record reflects that L-3 successfully implemented corrective actions, which resulted in improved CPAR ratings and "substantial improvement in performance." Id. DynCorp, on the other hand, was not as successful in remedying its performance challenges. For instance, under the INL/A contract discussed above, the record supports the evaluators' assessment that adverse performance had "yet to be effectively fixed even with intervention from the government." Id. at 171. Likewise, the record confirms that for DynCorp's JPATS effort, the protester had not met a key program parameter over the entire contract. See id.

Thus, while DynCorp accurately conveys that L-3 had performance issues on certain aspects of its past performance contracts--a conclusion documented in the PAR and discussed in the SSDD--the record confirms that the issues were from 2013 or earlier and that the firm's corrective measures were successful. On other hand, the protester's position that DynCorp successfully resolved its alleged performance issues is contradicted by the record and reflects the protester's disagreement with the evaluation

assessments. Given this, we disagree that the past performance evaluation evidences unequal treatment.¹⁸

Source Selection Decision

DynCorp challenges the agency's source selection decision. Specifically, DynCorp argues that the SSA failed to conduct a new tradeoff following the Air Force's May corrective action. Comments/Supp. Protest at 2-3.

Where, as here, the RFP provides for a best-value tradeoff, the source selection official retains discretion to select a higher-priced but technically higher-rated submission, if doing so is in the government's best interest and is consistent with the solicitation's stated evaluation and source selection scheme. All Points Logistics, Inc., B-407273.53, June 10, 2014, 2014 CPD ¶ 174 at 13-14. The source selection official has broad discretion in determining the manner and extent to which he/she will make use of technical, past performance, and cost/price evaluation results, and this judgment is governed only by the tests of rationality and consistency with the stated evaluation criteria. See id. 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, without more, 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. Additionally, a source selection official may rely on reports provided by technical, or as is the case here, past performance evaluators. See VendTech-SGI LLC, B-408488, B-408488.3, Sept. 30, 2013, 2013 CPD ¶ 252 at 6.

Here, the record shows that the source selection decision sets forth a well-reasoned basis for a tradeoff that justified making an award to the higher-rated, higher-priced offeror, L-3. Following "extensive review of the documentation," and after consultation with the source selection evaluation board (SSEB) and source selection advisory council (SSAC), the SSA represents that he based his decision on an "integrated assessment" of the three offerors in the competitive range. AR, Tab 6, Final SSDD, July 14, 2017, at 1. The SSA concurred with the SSEB's evaluation findings under each of the factors, including the evaluators' determination that L-3 and DynCorp submitted technically acceptable proposals that were assessed as low risk, as well as the assignment of a substantial confidence rating for L-3's past performance and DynCorp's

¹⁸ Furthermore, as noted above, the fact that L-3 was assigned more marginal ratings in CPARs from early in its performance, as compared to DynCorp, does not demonstrate that L-3's substantial confidence rating was the result of unequal treatment. <u>See</u> Comments/Supp. Protest at 10-11. In this respect, as described in detail above, the evaluation took into account various other sources of past performance information, including CPAR narratives, PPQs, interviews, and discussions with the offerors. The CPAR ratings were not, as the protester argues, the sole barometer for assessing past performance under the solicitation.

satisfactory confidence rating. <u>Id.</u> at 8-10. The SSA then incorporated large portions of the PPET's final justification summaries, which had been included in the SSEB's 190-page PAR, into the award decision document. <u>Id.</u> at 12-14. The SSA's discussion of the offerors' past performance records highlighted "quality issues," adverse past performance, and actions taken to correct performance issues. <u>See id.</u>

Next, the SSA performed a best-value tradeoff. The SSA concluded that the offerors were equal with respect to technical risk; no discriminators were identified. Id. at 16. The SSA acknowledged the price differential between the offers, highlighting that DynCorp offered the lowest-priced proposal and that L-3's proposal was 4.65 percent higher-priced. Id. However, the SSA pointed out that for tradeoff purposes, past performance was considered more important than price. Id. The SSA then discussed the "critical nature of the C-12 mission," explaining that "strong performance quality from the C-12 CLS contractor [would be] essential to the success of the C-12 mission." Id. at 17. The SSA noted that performance quality issues that could result in grounded aircraft would "severely impact the Government's ability to successfully complete C-12 missions." Id.

Following this, the SSA examined the specific difference in past performance between DynCorp and L-3. The SSA concluded that there were no tradeoff considerations with respect to relevancy, but that there was a difference in overall performance quality between the two offerors. <u>Id.</u> While the SSA acknowledged that L-3 had performance quality issues, he concluded that the firm did not have any "significant" adverse performance. <u>Id.</u> Moreover, the SSA highlighted that L-3 "demonstrated the ability to implement quick and effective corrective action measures," a conclusion supported by the record, as explained above. <u>Id.</u> With respect to DynCorp, the SSA described the three adverse issues that led to the marginal ratings. <u>Id.</u> at 17-18. The SSA wrote that for adverse issues identified, DynCorp was "unable to implement effective corrective action measures, especially in the performance issues related to supply support." <u>Id.</u> at 18.

Ultimately, the SSA concluded that DynCorp's overall performance quality was not as strong as L-3's. <u>Id.</u> While DynCorp's record included "many instances of successful performance," the SSA pointed to DynCorp's three adverse performance issues and concluded that DynCorp was "not as effective as L-3 in implementing successful corrective action measures." <u>Id.</u> at 18-19. In the SSA's judgment, "the benefits provided by L-3's superior performance quality warrant[ed] a tradeoff for the additional \$13,324,344, which [was] only 4.65% higher than [DynCorp]." <u>Id.</u>

We have no basis to question the SSA's source selection decision. As described above, the SSA made a reasonable, well-documented source selection decision that was supported by the record and consistent with the solicitation. In this respect, where a solicitation emphasizes the significantly greater importance of non-price factors over price, such as here, an agency has considerable discretion to award to a higher-rated offeror for a higher price. See WPI, B-288998.4, B-288998.5, Mar. 22, 2002, 2002 CPD ¶ 70 at 10.

Moreover, we find unpersuasive the protester's concern that the final source selection decision mirrors much of the initial source selection decision from prior to the agency's corrective action. In this regard, the agency's corrective action focused only on price; the technical and past performance evaluations were unchanged. <u>See</u> AR, Tab 55, Notice of Corrective Action, at 1-2. Given this, we remain unconcerned that the final SSDD did not include changes from the earlier version, except with respect to the updated price differential. Despite the protester's objections, the fact remains that the SSA acknowledged the new price differential--which was merely 2.3 percent greater than initially proposed--but it did not change his determination that L-3's proposal still represented the best value to the agency.

Lastly, because we conclude that the agency's evaluation of proposals was reasonable, DynCorp's challenge to the agency's tradeoff on the basis of alleged underlying past performance evaluation improprieties is unavailing. See Epsilon Sys. Solutions, Inc., B-409720, B-409720.2, July 21, 2014, 2014 CPD ¶ 230 at 19. In sum, the record adequately supports the SSA's decision to award the C-12 CLS contract to L-3.

The protest is denied.

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