



DOCUMENT FOR PUBLIC RELEASE

The decision issued on the date below was subject to a GAO Protective Order. This redacted version has been approved for public release.

Decision

Matter of: Centerra Group, LLC

File: B-414800; B-414800.2

Date: September 21, 2017

Craig S. King, Esq., Patrick R. Quigley, Esq., Richard J. Webber, Esq., and Abram J. Pafford, Esq., Arent Fox LLP, for the protester.

James J. McCullough, Esq., Michael J. Anstett, Esq., and Anayansi Rodriguez, Esq., Fried, Frank, Harris, Shriver & Jacobson LLP, for SOC LLC, the intervenor.

Matthew Butsick, Esq., Department of Energy, for the agency.

Pedro E. Briones, Esq., and Peter H. Tran, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest challenging the agency's technical, past performance, and price evaluations is denied where the evaluations and source selection decision were reasonable and consistent with the terms of the solicitation.

DECISION

Centerra Group, LLC, of Palm Beach Gardens, Florida, protests the award of a contract to SOC LLC of Chantilly, Virginia, under request for proposals (RFP) No. DE-SOL-0009373, issued by the Department of Energy (DOE), National Nuclear Security Administration (NNSA), for protection services. Centerra challenges NNSA's price, technical, and past performance evaluations, as well as the agency's best-value determination and source selection decision.

We deny the protest.

BACKGROUND

The RFP was issued on December 1, 2016, and sought proposals for award of a hybrid fixed-price/time-and-materials contract for a base year and 4 option years to provide protective force services, including uniformed special police officers (SPOs), at several NNSA Nevada Field Office (NFO) facilities. Agency Report (AR), Tab 9, RFP at 1, 58,

353, 355; Contracting Officer’s Statement (COS) at 1.¹ The solicitation included a detailed performance work statement (PWS) with four broad categories of requirements: (1) general management; (2) protective force (ProForce); (3) technical security systems; and (4) force-on-force (FOF) exercises. RFP, attach. 1, PWS, at 60-75. Each category included dozens of tasks and deliverables.

The RFP stated that the acquisition was being conducted under Federal Acquisition Regulation (FAR) part 15 and that the award would be based on a best-value tradeoff among four evaluation factors, in descending order of importance: (i) approach and staffing plan; (ii) past performance; (iii) small business participation plan; and (iv) price. RFP at 360-61. The RFP advised that the non-price evaluation factors, when combined, were significantly more important than the price factor. Id. at 361. Offerors were instructed to submit separate technical and price proposals. Id. at 345.

Only SOC and Centerra (the incumbent) submitted proposals, which were evaluated by an integrated project team (IPT) as follows:

	SOC	Centerra
Approach & Staffing Plan	Good	Good
Past Performance	Good	Excellent
Small Business Participation Plan	Satisfactory	Excellent
Total Proposed Price	\$202,942,951	\$249,976,900
Total Evaluated Price (TEP)²	\$223,573,447	\$275,932,001

COS at 5; AR, Tab 22, SSD, at 3. The findings of the IPT, and the solicitation’s corresponding provisions, are addressed in relevant part below. The source selection authority (SSA) for the procurement concurred with the evaluators’ findings, as well as their assessed strengths, weaknesses, and ratings for each proposal, and performed a cost/technical tradeoff. AR, Tab 22, SSD, at 2-7. The SSA determined that SOC’s

¹ Citations to the RFP are to the conformed version of the solicitation provided in the agency report.

² The RFP stated that the TEP would be the sum of the offeror’s proposed fixed prices and cost estimates for the base and option periods, and the government’s baseline (i.e., the “plug numbers” specified in the solicitation) for travel and pensions, as well as the government’s calculated price for a final 6-month option period. RFP at 362. The source selection decision (SSD) document states that the price of the final 6-month option period was prorated for each offeror. See AR, Tab 22, SSD, at 3.

proposal provided the best value to the government and the agency awarded the contract to SOC for \$202,942,951.³ Id. at 6-7. This protest followed.

DISCUSSION

Centerra challenges NNSA's technical, past performance, and price evaluations, and the SSA's best-value determination.⁴ Although our decision does not specifically address each of Centerra's arguments, we have considered all of the protester's assertions and find none furnishes a basis for sustaining the protest.⁵

Evaluation of Technical Approach⁶

Centerra argues that the IPT evaluated the two offerors' proposed technical approaches unequally and contrary to the terms of the solicitation. See Protest at 14-17, 22-26. We disagree, and address Centerra's more salient arguments below.

As an initial matter, however, we note that most, if not all, of Centerra's technical challenges reflect the protester's disagreement with the adjectival ratings and the number of strengths and weaknesses that the evaluators assessed in each proposal. For example, Centerra contends that its "stellar track record of incumbent performance coupled with a detailed proposal for maintaining Centerra's exemplary performance level warranted a rating of 'excellent' under" the approach and staffing plan evaluation

³ SOC's award price does not include the final 6-month option period included in the TEP. See AR, Tab 25, Centerra Debriefing, at 8-9; supra n.2.

⁴ Centerra does not challenge the agency's evaluations under the small business participation plan evaluation factor.

⁵ For example, we do not address the agency's and protester's debate on whether Centerra's price proposal took exception to the RFP's pricing requirements because the proposal stated that "[a]t contract start, Centerra will require an equitable adjustment," and was thus ineligible for award. See Memorandum of Law (MOL) at 1-2; Protester's Comments at 33-38; Supp. MOL at 1-4; Protester's Supp. Comments at 1-3; AR, Tab 10, Centerra Proposal, at 593. In this respect, the contemporaneous record shows that the SSA did not consider Centerra's proposal ineligible for award; rather, he found that the alleged pricing exception could be resolved (or "deemed immaterial") through discussions (which the agency did not conduct) and he, in fact, performed a cost/technical tradeoff between SOC's and Centerra's proposals. AR, Tab 22, SSD, at 7.

⁶ The RFP identified (technical) approach and staffing plan as one evaluation factor and stated that the approach and staffing plan portions were of equal importance, but the RFP did not specifically identify them as evaluation subfactors and stated that they would not be evaluated separately. RFP at 361. Nevertheless, for clarity, we address the evaluation of proposals under these subcriteria separately.

factor. Protester's Comments at 24. Centerra suggests that "the only reasonable conclusion the Agency could draw" was that awarding the contract to the incumbent (Centerra) would provide the highest level of successful contract performance and the lowest risk of unsuccessful performance. Id. at 25; see also Protest at 25-26 (asserting that it is "inconceivable" that Centerra's proposed technical approach and staffing was rated good, rather than excellent, against the backdrop of Centerra's excellent performance as the incumbent).

Centerra's disagreement with the proposals' evaluation ratings and their exact number of assessed strengths and weaknesses is misplaced. We have consistently explained that there is no legal requirement that any agency must award the highest possible rating, or the maximum point score, under an evaluation factor simply because the proposal contains strengths or is not evaluated as having any weaknesses, or both. See Applied Tech. Sys., Inc., B-404267, B-404267.2, Jan. 25, 2011, 2011 CPD ¶ 36 at 9. Evaluation ratings and the number of strengths and weaknesses assessed are merely a guide to, and not a substitute for, intelligent decision making in the procurement process. Affolter Contracting Co., Inc., B-410878, B-410878.2, Mar. 4, 2015, 2015 CPD ¶ 101 at 11 n.10. Furthermore, Centerra's apparent belief that its incumbency status entitles it to higher ratings does not provide a basis for finding the agency's evaluation unreasonable. See FFLPro, LLC, B-411427.2, Sept. 22, 2015, 2015 CPD ¶ 289 at 6. There is no requirement that an incumbent be given extra credit for its status as an incumbent, or that the agency assign or reserve the highest rating for the incumbent offeror. See id.

Rather, the essence of an agency's evaluation is reflected in the evaluation record itself, not the adjectival ratings. Stateside Assocs., Inc., B-400670.2, B-400670.3, May 28, 2009, 2009 CPD ¶ 120 at 8. The relevant question is whether the record shows that the agency fully considered the actual qualitative differences in offerors' proposals. See InfoZen, Inc., B-408234 et al., July 23, 2013, 2013 CPD ¶ 211 at 8. In reviewing protests of an agency's evaluation, our Office does not reevaluate proposals, rather, we review the record to determine if the evaluation was reasonable, consistent with the solicitation's evaluation scheme, as well as procurement statutes and regulations, and adequately documented. See Wackenhut Servs., Inc., B-400240, B-400240.2, Sept. 10, 2008, 2008 CPD ¶ 184 at 6; Cherry Road Techs.; Elec. Data Sys. Corp., B-296915 et al., Oct. 24, 2005, 2005 CPD ¶ 197 at 6.

The RFP required offerors to propose a technical approach for accomplishing selected PWS requirements, including, of relevance here: tactical training, security technology, and vulnerability assessments and performance testing. RFP at 351. With respect to tactical training, offerors were to propose an approach for training personnel capable of protecting DOE Category I special nuclear material (SNM) in a remote desert environment. See id. With respect to security technology, offerors were to propose an approach for integrating and deploying cutting-edge security technologies for protecting a DOE Category I facility. Id. With respect to vulnerability assessments and performance testing, offerors were to propose an approach to conducting such assessments, as well as data analysis of threat levels associated with protecting a DOE

Category I facility. Id. Offerors were also to address the technical risks of performing each of these PWS requirements and propose an approach to avoiding or minimizing the risks. See id. The solicitation stated that the agency would evaluate the offeror's understanding of the requirement and the relevant technical risks, as well as the completeness and feasibility of the offeror's proposed technical approach and approach to avoid or minimize risks. See id. at 361. The contemporaneous evaluation record, which is well-documented, shows that NNSA evaluated the merits of SOC's and Centerra's technical approaches consistent with these provisions.

Centerra's arguments to the contrary lack merit and are largely based on the protester's selective reading of the RFP and evaluation record. For example, with respect to tactical training, Centerra contends that the IPT improperly assessed a strength for SOC's professional development plan, because the evaluators failed to account for the effect of SOC's allegedly flawed labor mix and "significantly" reduced staffing levels (addressed below) on employee retention. See Protester's Comments at 14-15. The protester also claims that the IPT evaluated the proposals disparately in this respect, because Centerra was not assigned a strength for its professional training program based on its more realistic labor mix. See id. at 27-28. In fact, the record shows that the IPT assessed a strength for Centerra's tactical training approach, which the evaluators found reflected a comprehensive understanding and implementation of NNSA's training reform initiatives. AR, Tab 20, IPT Rep., at 14. Moreover, Centerra overlooks, and does not dispute, the evaluators' assessment of a significant strength for SOC's "innovative approaches to improve the ProForce training program," such as [DELETED] that would reduce SPO overtime. Id. at 29.

According to Centerra, the evaluators also ignored the "inherent risk" of SOC's proposal to subcontract the "mission-critical" task of conducting vulnerability assessments and performance testing. See Protester's Comments at 16. The protester also complains that, unlike SOC, Centerra's proposal was not assessed a strength for its proposed approach to conducting these functions, even though it had "the added benefit and decreased risk of having [this] function led by Centerra's own direct hires . . ." Id. at 27. Contrary to Centerra's implication, however, nothing in the RFP prohibited offerors from proposing to subcontract the vulnerability assessments and performance testing functions. Centerra also overlooks, and again, does not dispute the IPT's assessment that SOC's proposed subcontractor for this function has extensive experience conducting vulnerability assessments and performance testing for DOE, NNSA, and several other department-level agencies. AR, Tab 20, IPT Rep., at 32. Furthermore, nothing in the record suggests that the offerors were treated disparately in this respect--the record shows that Centerra was itself assessed a strength, because its "level of expertise combined with intimate[] knowledge of ProForce capabilities would enhance the [assessment] process and provide more effective analysis . . ." Id. at 16.

The record also shows that, contrary to Centerra's assertions, the IPT reasonably evaluated the offerors' respective approach to addressing security technology. Centerra maintains that the evaluators unreasonably assessed SOC a strength in this regard, because its proposed approach to identifying new security technologies

reflected SOC's lack of understanding of the risks of trying to incorporate such technologies into operational use. Protester's Comments at 17. By contrast, Centerra asserts that it was unreasonable for the IPT not to assign a strength to Centerra given its "detailed approach to identifying and deploying cutting edge security technologies" Id. at 28. Significantly, however, Centerra does not challenge the IPT's assessment that Centerra's proposal "did not identify anything new in proposed deployments or the use of new technology" See AR, Tab 20, IPT Rep., at 15. Furthermore, Centerra does not dispute the evaluators' finding that its proposal to use [DELETED] as part of Centerra's approach to security technology misstated the role [DELETED] and indicated that Centerra may not fully understand the purpose [DELETED]. See id. at 14.

In short, we find no reason to question NNSA's evaluation of the offerors' proposed technical approaches, and Centerra's numerous allegations to the contrary only reflect its disagreement with the agency's evaluations, which does not provide a basis to sustain the protest. See Citywide Managing Servs. of Port Washington, Inc., B-281287.12, B-281287.13, Nov. 15, 2000, 2001 CPD ¶ 6 at 10-11. We deny this aspect of Centerra's protest accordingly.

Evaluation of Staffing Plans

Centerra also challenges NNSA's evaluation of the offerors' proposed staffing plans, arguing that the agency evaluated their levels of effort and key personnel disparately and inconsistent with the RFP. Protest at 11-17, 22-26. Centerra contends that the IPT failed to recognize the "extreme" performance risk of SOC's "dramatic" staffing reductions and proposed "double hatting" of certain personnel responsibilities. See Protester's Comments at 7-13. According to Centerra, "SOC substantially understated the number of DPLH [direct productive labor hours] required to perform the PWS[.]" Protest at 11. In particular, Centerra asserts that SOC did not propose a sufficient level of staffing or an appropriate labor mix to perform the PWS's general management or ProForce requirements. Protester's Comments at 7-13. Centerra argues that the IPT never considered the cumulative impact of these reductions on performance risk. Id. at 9.

Here, too, the protester's arguments lack merit. Offerors were to propose, using the staffing plan spreadsheets provided with the RFP, a labor mix (labor category and hour), specifying the number of proposed full-time equivalents (FTEs) and DPLH for each PWS area, proposed team member, and performance period. See RFP at 351; attach. 11, Staffing Plan, at 327-34. Among other things, offerors were to describe their proposed labor categories and corresponding job duties, and propose key personnel for overall general management, ProForce operations, and technical security services. See RFP at 351. The RFP stated that the agency would assess whether an offeror proposed a sufficient level of staffing and mix of skills throughout contract performance, and whether the offeror's key personnel have the relevant qualifications, education, and experience necessary to perform their proposed positions. Id. at 361.

Notwithstanding Centerra's contentions, the evaluation record comports with these terms and shows that the agency evaluated the offerors' proposed staffing plans extensively, and fairly. Contrary to Centerra's assertion, the IPT specifically evaluated SOC's proposed labor mix, labor categories, job duties for each category, and number of FTEs. See AR, Tab 20, IPT Rep., at 34. First, the record includes--and Centerra fails entirely to address--reports documenting the agency's technical/labor evaluation of each offeror's price proposal. See AR, Tabs 18-19, Tech. Evaluation (Eval.) of Price Proposals; see generally Protester's Comments; Protester's Supp. Comments. SOC's report shows that the agency specifically evaluated and found that: (1) SOC's skill mix and number of FTEs were reasonable for the proposed effort; (2) SOC's proposed personnel and staffing levels were consistent across SOC's technical and price proposals; and (3) SOC's proposal followed the RFP's staffing schedule "very closely" for SPOs, lieutenants, engineers, technicians, and other specified personnel.⁷ AR, Tab 19, Tech. Eval. of SOC Price Proposal, at 1-2.

Second, the record also shows that the IPT recognized performance risks and weaknesses in aspects of SOC's staffing plan. See AR, Tab 20, IPT Rep., at 33-34. For example, the evaluators assessed a weakness for SOC's proposal to have its ProForce [DELETED] also serve as the [DELETED] officer. Id. at 33. The IPT determined this, as well as three other instances of collateral assignment (or "dual-hatting"), increased performance risks. Id. at 33-34; see COS at 11-12. However, the evaluators found that SOC's staffing approach was "well supported and documented, and demonstrates that SOC has a viable plan to ensure appropriate levels of staffing [and] mixes of labor throughout contract performance." See AR, Tab 20, IPT Rep., at 34. The IPT concluded that "despite the added risks associated with its leaner (in some areas) staffing plan, SOC's staffing approach delineated a sufficient level of staffing and mix of skills throughout contract performance," with four exceptions.⁸ Id. Although Centerra disagrees, it fails to address much of the evaluation record in this respect and fails to show that NNSA's assessments were inconsistent with the RFP's evaluation provisions.

Moreover, the record does not reflect that the agency evaluated the offerors' staffing plans disparately. For example, Centerra insists that the two offerors were evaluated unequally with respect to their proposed classification officer position.⁹ See Protester's Comments at 28-29; Protester's Supp. Comments at 14-15. In fact, the record shows

⁷ The RFP included a staffing schedule that identified the current number of personnel directly engaged in ProForce and security systems work, by type of officer, facility location, station/post, and shift (day or night). RFP at 363-64.

⁸ These exceptions were SOC's four instances of collateral assignment, as stated above. See AR, Tab 20, IPT Rep., at 32-33; COS at 11-12.

⁹ The PWS requires the contractor to provide a classification officer, as well as support NNSA/NFO's classified matter protection and control (CMPC) program and provide a qualified CMPC contact person. PWS at 62, 68-69.

that both offerors were assessed a weakness for proposing that their respective classifications officers perform other collateral duties. AR, Tab 20, IPT Rep., at 18, 33. SOC was assessed a weakness for proposing that its classification officer also serve as its information security manager; Centerra was assessed a weakness for proposing that its classification officer also provide support for [DELETED].¹⁰ Id.

Furthermore, nothing in the record supports Centerra's assertion that the agency improperly evaluated the offerors' proposed key personnel. Centerra alleges, for example, that SOC's proposed general manager lacks the experience needed for a project of this size and complexity and, therefore, SOC's proposal should not have been assessed a "significant strength" for proposing this individual. Protester's Comments at 19-20. However, Centerra does not otherwise address or dispute the IPT's findings that the individual, among other things, has 18 years of experience in nuclear security and ProForce operations; currently serves as a deputy director overseeing daily operations at another NNSA facility; and manages a workforce of 650 staff with a budget of \$165 million. See AR, Tab 20, IPT Rep., at 34-35. Centerra also objects to the evaluators' assessment that Centerra's proposed technical services director had an "extremely limited" educational background and management experience. See Protester's Comments at 22-24; Protester's Supp. Comments at 10-11. However, other than largely restating its proposal and the individual's resume, Centerra does not meaningfully rebut the evaluators' assessment of his qualifications. See id.

We therefore find that Centerra's numerous challenges to NNSA's staffing plan evaluations--like the protester's challenges to the technical approach evaluations discussed above--only reflect Centerra's disagreement with the agency's judgments and fails to provide a basis to sustain the protest. See Citywide Managing Servs. of Port Washington, Inc., supra. This aspect of the protest is denied accordingly. See, e.g., i4 Now Sols., Inc., B-412369, Jan. 27, 2016, 2016 CPD ¶ 47 (denying protest of the evaluation of awardee's proposed level of effort where the record demonstrates that the agency reasonably concluded that the level of effort was sufficient to perform the requirement).

Evaluation of SOC's Past Performance

Centerra challenges SOC's past performance evaluation as well, arguing that the agency ignored adverse past performance information regarding one of SOC's projects, and unreasonably assessed a strength for SOC's performance of another project for the Department of the Army. Protest at 20-21. For example, Centerra contends that the IPT failed to properly consider a prior weapons violation during SOC's performance of a subcontract at the Los Alamos National Laboratory (LANL). Protester's Comments at 29-30.

¹⁰ Contrary to the protester's assertion, nothing in the RFP explicitly prohibited offerors from "dual-hatting" certain positions. See Protester's Supp. Comments at 5.

Where a protester challenges an agency's evaluation of experience or past performance, 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. See MFM Lamey Group, LLC, B-402377, Mar. 25, 2010, 2010 CPD ¶ 81 at 10; Falcon Envtl. Servs., Inc., B-402670, B-402670.2, July 6, 2010, 2010 CPD ¶ 160 at 7. 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.

Based on our review of the record, we find that the agency evaluated SOC's past performance reasonably and consistent with the solicitation's criteria. Here, offerors were to provide, for each team member, a past performance self-assessment form (PPSAF) and a client questionnaire (PPQ) for up to three recent, relevant projects. RFP at 352; see attach. 19, PPSAF; attach. 21, PPQ. Recent was defined as projects that began or were completed within 60 months and have been in place for at least 1 year from the proposal deadline. RFP at 352. Relevant was defined as similar in size, scope, and complexity relative to specified PWS requirements.¹¹

For each project, offerors were also to submit a form disclosing cited safety and health violations and accidents, explaining the circumstances of each incident, the type of work that was being performed, the determination of fault, and any corrective action taken. See id.; attach. 22, Sec., Env't, Safety, Health, & Quality Assurance Performance Form, at 374. The RFP stated that the agency would evaluate an offeror's recent, relevant projects to assess its performance risk and probability of successful performance. See RFP at 361. The RFP also indicated that the agency would evaluate an offeror's cited safety violations, including the circumstances, type of work, and corrective action taken. See id. at 352; attach. 22, Sec., Env't, Safety, Health, & Quality Assurance Performance Form, at 374.

Contrary to Centerra's assertion, the record shows that the IPT extensively considered the weapons violation at issue.¹² The record shows that the evaluators assessed

¹¹ For example, for a project whose scope involved the PWS's general management and ProForce requirements, size meant having a value greater than or equal to \$75,000,000, and complexity meant providing personnel trained at the SPO II/Basic Readiness level. RFP at 352. For a project whose scope involved the PWS's general management and technical security systems requirements, size meant having a value greater than or equal to \$1,000,000, and complexity meant involving support personnel in at least three of the following areas: intrusion alarms; alarm monitoring systems; closed circuit television camera systems; multi-mode sensor systems; MESH networks for assessment; and automated access control systems. Id.

¹² The violation, which SOC disclosed in its proposal, involved [DELETED]." See AR, Tab 11, SOC Proposal, at 324; Tab 20, IPT Rep., at 39.

SOC's explanation of the incident, including the several steps that SOC took as part of its corrective action plan, which the IPT found adequately addressed the incident. AR, Tab 20, IPT Rep., at 39. Moreover, the IPT reviewed the past performance questionnaire for the project and noted that LANL found that SOC's corrective actions were effective. Id. The IPT also considered LANL's assessment that SOC's performance of the project was excellent or very good across all evaluation areas. Id. Based on these and other considerations, the IPT concluded:

While the scope and [LANL's] evaluation of SOC's performance may have otherwise constituted a Strength, the one notable incident involving the live-fire range is concerning to the IPT. However, the IPT also believes based on a review of the steps taken by SOC, and the extremely positive feedback from LANL on SOC's performance and corrective actions, that the event would not increase the risk of unsuccessful performance under any award resulting from the Solicitation. The IPT believes that the lessons learned by SOC, and the actions it subsequently took, reflect that the adverse past performance incident under this contract was (and would be) an isolated incident that was effectively handled; thus, this past performance information constituted neither a weakness nor significant weakness.

Id. Centerra obviously disagrees with this assessment, but has not shown that the agency's assessment was unreasonable or contrary to the RFP's past performance evaluation provisions.

Centerra also complains that the evaluators unreasonably assessed a strength for SOC's performance of a multi-year, \$425 million IDIQ contract with the Army Joint Munitions Command to provide all physical security at the Hawthorne Army Depot, Nevada. Protester's Comments at 31-33; see AR, Tab 11, SOC Proposal, at 325-28. The IPT found the project recent and relevant to both the ProForce and technical security systems requirements of the PWS. AR, Tab 20, IPT Rep., at 39-40; see supra n.12. The record shows that the IPT considered the Army's assessed performance ratings, as well as the ratings from a number of Contractor Performance Assessment Reporting System (CPARS) interim reports for task orders issued to SOC under the contract. Id. at 40. The IPT assessed a strength for this project because SOC's role providing ProForce and security systems services at Hawthorne Army Depot, which like NNSS holds extremely volatile material and is located in a similar environment (high desert), demonstrated that SOC has the ability to provide all aspects of the PWS. See id. at 39-40.

According to Centerra, however, the assessed strength was not consistent with the performance record, because the contract is not "on the same scale" as the instant procurement because the project involves only approximately one-quarter of the FTEs needed here. Protester's Comments at 32-33. Centerra also claims that the ratings assessed by the Army for SOC's performance of this project were "not very impressive." Id. at 32. Again, while Centerra disagrees with IPT's assessment of this project, Centerra has not shown that the evaluators acted unreasonably or contrary to the RFP

provisions. For example, contrary to Centerra's suggestion, nothing in the solicitation indicated that the agency would evaluate a project's number of FTEs relative to the instant requirement.

In sum, the evaluation of experience and past performance, by its very nature, is subjective, and Centerra's disagreement with the agency's evaluation judgments here does not demonstrate that those judgments were unreasonable. See Glenn Def. Marine-Asia PTE, Ltd., B-402687.6, B-402687.7, Oct. 13, 2011, 2012 CPD ¶ 3 at 7. We therefore also deny this aspect of Centerra's protest. See, e.g., Falcon Envtl. Servs., Inc., supra, at 6-8 (denying protest of agency's evaluation of the awardee's past performance where the evaluation was reasonable and in accordance with the solicitation).

Evaluation of SOC's Price

Centerra also contends that NNSA's evaluation of SOC's price proposal was unreasonable. According to Centerra, the "work cannot be accomplished for anywhere near" SOC's proposed price, "which means that there is a serious problem in SOC's pricing and/or in the agency's evaluation of SOC's Price." Protest at 14. Centerra maintains that the "fact that SOC so substantially underestimated the DPLH required to perform the contract work and yet was found by the Agency to have submitted a reasonable price proposal means that the evaluators failed to perform a reasonable evaluation of SOC's price." Id. at 13. Centerra claims that SOC's proposed price cannot be achieved without violating the collective bargaining agreement (CBA) and that the agency failed to investigate SOC's assumptions and estimating techniques in this respect. See id.; Protester's Comments at 7.

The manner and depth of an agency's price analysis is a matter within the sound exercise of the agency's discretion, and we will not disturb such an analysis unless it lacks a reasonable basis. Gentex Corp.--Western Operations, B-291793 et al., Mar. 25, 2003, 2003 CPD ¶ 66 at 27-28. It is up to the agency to decide upon the appropriate method for evaluation of cost or price in a given procurement, although the agency must use an evaluation method that provides a basis for a reasonable assessment of the cost of performance under the competing proposals. S. J. Thomas Co., Inc., B-283192, Oct. 20, 1999, 99-2 CPD ¶ 73 at 3. In reviewing a protest against the propriety of an evaluation, it is not our function to independently evaluate proposals and substitute our judgment for that of the contracting activity. Decisive Analytics Corp., B-410950.2, B-410950.3, June 22, 2015, 2015 CPD ¶ 187 at 11. Rather, we will review an evaluation to ensure that it was reasonable and consistent with the evaluation criteria in the solicitation and applicable procurement statutes and regulations. Id.

Here, offerors were to propose (using the cost model spreadsheets provided with the RFP) fixed, fully-burdened labor rates and identify the wage rate, indirect costs, and

profit--for each labor category, performance period, PWS area, and team member.¹³ RFP at 353; attach. 23, Cost Model, at 375-93. Offerors were to provide a narrative describing, among other things, their estimating methodologies; basis of estimate for their proposed labor mix; rationale for cost/price reductions resulting from proposed efficiencies; and any proposed annual escalation factor. See RFP at 354-55. The RFP warned that the proposed labor mix must be consistent across the offeror's technical and price proposals, staffing plan, and cost model. Id. at 355. Offerors were to acknowledge that they had thoroughly reviewed the applicable Department of Labor Wage Determination, as well as the CBA covering SPOs, and that the proposed labor rates for covered employees included all requirements for compensation, benefits, and allowances. See id. at 353; attach. 7, Wage Determination, at 96-104; attach. 8, CBA, at 105-324.

The RFP stated that an offeror's total evaluated price, including all elements thereof, would be evaluated for reasonableness using any of the analysis techniques specified in FAR subpart 15.404. RFP at 362. The RFP further stated that an offeror's price proposal would be evaluated to determine the appropriateness of the underlying assumptions and estimating techniques, as well as the consistency of those assumptions and techniques with the proposed approach to accomplishing the required work. See id. Offerors were warned that their proposed labor mix must be consistent across their technical and price proposals, staffing plan, and cost model. Id. at 355. The solicitation also provided that the agency would analyze whether an offeror's proposed contract line item number (CLIN) and annual price was balanced. Id. at 362.

Our review of the record confirms that NNSA performed a reasonable price evaluation consistent with these criteria. The record shows that the agency, among other things: (1) evaluated SOC's proposed wages and indirect costs for covered employees and found that they were consistent with DOL requirements; (2) evaluated SOC's assumptions and found that, with one minor assumption, they were consistent with the requirements;¹⁴ (3) evaluated SOC's direct labor assumptions in particular and found them valid; (4) assessed the material differences between the offerors' price proposals and the independent government cost estimate; (5) found no exceptions or inconsistencies between SOC's technical proposal, price proposal, and staffing plan; (6) evaluated prices by CLIN and performance period for both offerors and found them balanced; and (7) evaluated and compared the price differences between the two price proposals. See AR, Tabs 19-20, Tech. Eval. of Price Proposals; Tab 20, IPT Rep.,

¹³ With respect to the PWS's time-and-materials requirements (ProForce, technical security systems, and FOF exercises), offerors were also to propose separate labor rates for straight time, overtime, double time, and/or holiday time. RFP, attach. 23, Cost Model, at 375-93; PWS at 71-76 (time-and-materials requirements).

¹⁴ The IPT found that SOC omitted an applicable Nevada state property tax, but the IPT concluded that the tax, which was estimated at \$130,000 annually, amounted to less than one-half of one percent of SOC's proposed price. AR, Tab 20, IPT Rep., at 49.

at 49. Based on this thorough evaluation, the agency found that both offerors proposed fair, reasonable, and balanced prices. See AR, Tab 20, IPT Rep., at 50-54.

Centerra's arguments to the contrary are premised on the protester's misconception that NNSA was required to perform a price realism analysis to determine whether SOC could perform the requirement at its proposed price.¹⁵ We agree with NNSA that Centerra has not effectively challenged the reasonableness or the balanced nature of SOC's proposed prices, which were the RFP's stated price evaluation factors. See MOL at 2-4. Rather, as the agency points out, Centerra essentially argues that SOC's price was unrealistically low to perform the work. Id.

Where a solicitation, as here, anticipates award of fixed-price or time-and-materials contract with fixed-price fully-burdened labor rates, the price realism of a proposal is not ordinarily considered, since the risk and responsibility for contract costs is on the contractor. See Ball Aerospace & Techs. Corp., B-402148, Jan. 25, 2010, 2010 CPD ¶ 37 at 8 n.7. While an agency may conduct a price realism analysis in awarding a fixed-price contract for the limited purposes of measuring an offeror's understanding of the requirements or to assess the risk inherent in the offeror's proposal, offerors must be advised that the agency will conduct such an analysis. Id. at 8; FAR § 15.404-1(d)(3). As our Office has found, in the absence of an express price realism provision, we will only conclude that a solicitation contemplates a price realism evaluation where the solicitation expressly states that the agency will review prices to determine whether they are so low that they reflect a lack of technical understanding, and where the solicitation states that a proposal can be rejected for offering low prices. DynCorp Int'l LLC, B-407762.3, June 7, 2013, 2013 CPD ¶ 160 at 9. Here, the RFP did not require NNSA to perform a price realism analysis. Absent a solicitation provision providing for a price realism evaluation, agencies are neither required nor permitted to conduct one in awarding a fixed-price contract. Id.

Accordingly, this aspect of the protest is also denied, because the record here demonstrates that the agency's evaluation of the awardee's price proposal was reasonable and the protester's arguments are premised on its misconception that the solicitation required the agency to perform a price realism analysis. See, e.g., i4 Now Sols., Inc., supra, at 9-11.

Best-Value Tradeoff

Finally, Centerra claims that the SSA's best-value tradeoff was inconsistent with the solicitation's weighted evaluation criteria and flawed insofar as it was based on the allegedly improper evaluations discussed above. See Protest at 26-29; Protester's Supp. Comments at 18. In Centerra's view, the SSA elevated price to the most

¹⁵ Price realism is an assessment of whether prices are too low, such that there may be a risk of poor performance. See FAR § 15.404-1(d); C.L. Price & Assocs., Inc., B-403476.2, Jan. 7, 2011, 2011 CPD ¶ 16 at 3.

important evaluation factor, even though the RFP stated that it was the least important factor. Protest at 26-27. Centerra maintains that if the technical superiority of its proposal had been properly reflected in the evaluation record, it would have received the award because the RFP provided that the approach and staffing plan evaluation factor was the most important criteria. Protester's Comments at 33.

In a best-value procurement, such as this one, it is the function of the SSA to perform a price/technical tradeoff to determine whether one proposal's technical superiority is worth a higher price. General Dynamics-Ordnance & Tactical Sys., B-401658, B-401658.2, Oct. 26, 2009, 2009 CPD ¶ 217 at 8. Even where price is the least important evaluation factor, as here, an agency properly may select a lower-priced, lower-rated proposal if the agency reasonably concludes that the price premium involved in selecting a higher-rated, higher-priced proposal is not justified in light of the acceptable level of technical competence available at a lower price. Id. The extent of such tradeoffs is governed only by the test of rationality and consistency with the evaluation criteria. Hillstrom's Aircraft Servs., B-403970.2, Dec. 28, 2010, 2010 CPD ¶ 303 at 5. Thus, a protester's disagreement with an 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, do not establish that the evaluation or source selection was unreasonable. Id.

As discussed above, the record does not support Centerra's assertions that the evaluations were flawed. Therefore, we have no reason to question the SSA's reliance on the evaluators' assessments in conducting his cost/technical tradeoff and best-value determination. Here, the SSA acknowledged the technical superiority of Centerra's proposal with respect to past performance and small business participation plan.¹⁶ See AR, Tab 22, SSD, at 7. However, the SSA concluded that any advantages associated with Centerra's proposal in this respect did not justify the 23 percent, or \$52 million, price premium over SOC's proposal, which he found offered, under the RFP's most important evaluation criterion, a "similarly beneficial (though different)" technical approach and staffing plan. Id.

Centerra's disagrees with the SSA's decision, but as stated above, its disagreement provides no basis to question the reasonableness of the agency's judgments. See Citywide Managing Servs. of Port Washington, Inc., supra. In the final analysis, we agree with NNSA that Centerra's protest amounts to nothing more than assertions that SOC's proposal should have received fewer strengths or additional weaknesses, and

¹⁶ In fact, contrary to the protester's repeated suggestions, the agency specifically recognized that Centerra's "exceptional performance" as the incumbent "indicated that, if selected, Centerra would have a very high probability of successful contract performance for all aspects of the PWS." See AR, Tab 20, IPT Rep., at 26.

lower adjectival ratings, but the protester fails to identify any basis for finding SOC's proposal unawardable. See MOL at 2.

The protest is denied.

Susan A. Poling
General Counsel