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## Decision

**Matter of:** Advanced Construction Techniques, Inc.

**File:** B-404847.6

**Date:** January 25, 2012

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### DIGEST

1. Protest of agency's technical evaluation is denied where protester fails to show that weaknesses attributed to its proposal were unreasonable.
  2. Notwithstanding the lack of a specific "price realism" evaluation factor, source selection authority's (SSA) best-value tradeoff decision properly questioned whether protester's low price was "realistic," where the solicitation provided for the evaluation of an offeror's understanding of technical requirements, as well as an assessment of the risks associated with an offeror's proposal, and the SSA concluded that protester's low price appeared to stem directly from specific concerns regarding the protester's lack of technical understanding and risks inherent in its proposal.
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### DECISION

Advanced Construction Techniques, Inc. (ACT), of Wilmington, Delaware, protests the award of a contract to Bauer Foundation Corp., of Edessa, Florida, under request for proposals (RFP) No. W912P5-09-R-0011 issued by the Department of the Army, Corps of Engineers for the construction of a barrier wall at Center Hill Dam, Dekalb County, Tennessee. ACT contends that the agency unreasonably evaluated its proposal, failed to conduct meaningful discussions with ACT regarding cited weaknesses in its proposal, and made an unreasonable and improper best-value award decision.

We deny the protest.

## BACKGROUND

The RFP, issued on March 19, 2010, anticipated the award of a fixed-price contract for the construction of a seepage barrier wall at the Center Hill Dam. The Center Hill Dam has been identified as a “highest-priority” remediation site due to the presence of extensive foundation seepage damage, which presents a significant threat to the surrounding area in the event of dam failure. The RFP requires the construction of a 24-inch thick, 900-foot long, concrete barrier wall extending 308 feet from the top of the dam embankment into the bedrock foundation. Contracting Officer Statement at 2; RFP Technical Specifications § 315610, ¶¶ 3.3.1, 3.3.1.1. The contractor is required to excavate and construct a wide protective concrete encasement wall of overlapping rectangular panel elements; the contractor will excavate, through the encasement wall, narrower overlapping elements to construct the concrete barrier wall. RFP Technical Specifications § 315610, ¶ 1.3.17. The RFP sought contractors with specialized, “self-performed” experience in barrier wall construction similar in nature and scope to the RFP’s work requirements. RFP Amend. No. 12 at 5, 17.

The RFP indicated a preference for the construction of a combined barrier wall composed of primary secant (circular pile) column elements. Secant columns were to be spaced to allow secondary large rectangular panel elements fitting between, and partially within, the secant columns in order to form water-tight overlaps at the joints between adjacent elements. Notwithstanding the RFP’s preference for this particular design, alternative designs were permitted.<sup>1</sup> RFP at 3. The RFP required that barrier wall elements overlap a minimum of 6 inches; reflecting the importance of the verticality of the elements to maintain the required thickness of the wall and the minimum 6-inch joint overlap over the full depth of 308 feet for each column, the RFP set out a maximum permissible verticality deviation tolerance of no more than 0.25 percent for each column.<sup>2</sup> RFP Technical Specifications § 315610, ¶ 3.3.1.4

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<sup>1</sup> Offerors submitting alternative barrier wall designs, such as ACT, which proposed an all-secant column approach using overlapping circular piles for the entire wall, were required to justify the merits of their design for successful performance by establishing, for example, that the alternative design allows for an improved ability to control verticality or to excavate hard bedrock. RFP at 10.

<sup>2</sup> To the extent an offeror proposed an alternative design, the verticality deviation was dependent on the offeror’s particular barrier wall element design. In this regard, ACT proposed an all-secant column barrier wall, which, due to its proposed column diameter and spacing, allowed only a [deleted]-inch [deleted] vertical deviation [deleted] in order to meet the RFP’s 24-inch thick wall and 6-inch

(continued...)

("Joint and Element Continuity shall adhere to the minimum dimension for overlap of six (6) inches measured along the longitudinal axes of the barrier wall for the full depth and width of the barrier wall (24 inches"), ¶ 3.3.1.5 ("The Contractor shall maintain element verticality within 0.25 percent over the entire depth of the element."). Offerors were required to submit sufficiently detailed proposals describing their proposed approaches, qualifications and specialized experience, and capabilities to successfully perform in accordance with the RFP's terms, including the proven capability of proposed drilling equipment. RFP at 10; RFP Technical Specifications § 315610, ¶ 3.1.1.

Award was to be made on a best-value basis considering technical and price factors, which included consideration of the offeror's understanding of requirements, and performance and proposal risk. RFP Amend. No. 12 at 13, 16. The RFP established the following four equally weighted non-price factors, and related subfactors: (1) technical approach (subfactors: barrier and encasement wall technical approach, barrier and encasement wall quality control and verification, and barrier wall site plan); (2) experience (subfactors: specialized experience and similar work, joint venture (if relevant), and individual personnel experience); (3) management approach (subfactors: management description, organization chart, and schedule); and (4) past performance. Id. at 2, 16. All non-price evaluation factors combined were significantly more important than price. Id. at 16. Price was to be evaluated for fairness, reasonableness and material unbalancing. <sup>3</sup> Id. at 15.

The agency received and evaluated five proposals, conducted discussions, held oral presentations, and requested and evaluated revised and final revised proposals.<sup>4</sup> ACT's final proposal received evaluation ratings of acceptable for technical approach, marginal for experience, marginal for management approach,

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(...continued)

minimum overlap terms. To achieve this [deleted]-inch vertical deviation, ACT's design required a maximum [deleted]-percent verticality deviation tolerance--a far more stringent drilling alignment requirement than the 0.25-percent deviation tolerance established by the RFP.

<sup>3</sup> The RFP also provided for an assessment of each offeror's small business participation plan for which ACT's proposal received a rating of marginal; the protester does not challenge this rating and it is not discussed further in this decision.

<sup>4</sup> ACT's proposal was included in the competitive range after the agency chose to take corrective action in response to a prior protest filed by ACT that challenged its initial exclusion from the competitive range; that action led to our dismissal of the protest as academic. Advanced Construction Technologies, Inc., B-404847.3, Apr. 14, 2011.

and unknown risk for past performance. As a general matter, the record reveals that the agency had concerns regarding ACT's lack of relevant experience because ACT had never before constructed similar permanent barrier walls. Although the agency found ACT to have substantial experience with foundation grouting work, this experience was determined to be materially different from the excavation and construction work required under the RFP. Bauer's proposal, on the other hand, was rated higher than ACT's under every non-price evaluation factor. It was rated good for technical approach, good for experience, satisfactory for management approach, and low risk for past performance. ACT, however, proposed a lower price.

ACT's total price was \$83,446,558 (19.9 percent below the government estimate), whereas Bauer's price was \$106,611,907 (2.4 percent above the government's estimate). While both prices were found to be reasonable, the agency's price evaluator raised concerns regarding some of ACT's line item prices, which appeared to be low, and appeared to stem from ACT's lack of understanding of the requirements. For example, the price evaluator noted that ACT's [deleted] was significantly less than the price the agency is currently paying for similar requirements at another dam. The evaluator further noted that ACT proposed the same price for excavation in the embankment as it did for the more challenging excavation work in the harder bedrock foundation. Additionally, in light of the protester's lack of similar barrier wall experience, the evaluator had concerns about the reliability of ACT's predicted production rates for excavation--ACT indicated that its pricing was based on these rates--particularly where ACT proposed to use, in some instances, newly-trained equipment operators. Price Analysis at 3-4.

The source selection authority (SSA), in making her selection decision adopted the findings of the agency's technical evaluators, who concluded that the limited strengths in ACT's proposal (such as innovation in the proposed use of equipment and use of technology not yet used in dam barrier wall construction projects) were outweighed by numerous weaknesses (including the firm's failure to provide more persuasive support and project data). The SSA also adopted the evaluators' concerns about ACT's understanding of the requirements, as reflected by various assumptions contained in ACT's proposal.

Specifically, ACT assumed that foundation grouting below the soil/rock interface would involve direction and additional payment by the agency. The SSA agreed with the evaluators that this assumption by ACT reflected a lack of understanding of the RFP's requirements since the technical specifications require foundation grouting below the interface of the soil and rockbed. The SSA also agreed with the

price evaluator's concern about ACT's excavation production rates.<sup>5</sup> Given these assumptions, the SSA questioned whether ACT's low price reflected a lack of technical understanding, and increased the risk of unsuccessful performance. The SSA's analysis in this regard noted that ACT's prices for excavation work were consistently lower than the prices of the other offerors, and the government's estimate.

Based upon her comparative review of the strengths and weaknesses of the proposals, the SSA determined that the technical superiority of the Bauer proposal, which included significant strengths, was worth the price premium, compared to ACT's lower-priced, lower-rated proposal. The agency awarded the contract to Bauer on September 21, 2011. After receiving a debriefing, ACT filed this protest.

## ANALYSIS

ACT's protest takes issue with virtually every weakness assessed by the agency. In addition, ACT challenges the scope of the agency's discussions regarding ACT's assessed weaknesses, arguing that the agency did not raise its concerns in any meaningful way. Moreover, ACT argues that the agency's best-value decision was unreasonable and improperly considered ACT's low price "unrealistic."<sup>6</sup> Based on our review of the record, as discussed below, ACT's challenges provide no basis to question the reasonableness of the agency's evaluation, the scope of discussions, or the decision to select Bauer's proposal for award. A sampling of ACT's challenges are discussed below.<sup>7</sup>

In reviewing a protest of an alleged improper evaluation, it is not our role to reevaluate proposals. Rather, our review is confined to determining whether the evaluation was reasonable and consistent with the terms of the solicitation and

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<sup>5</sup> ACT's proposal stated that its prices were based on instantaneous production rates, yet also indicated that its industrial production rates "will be lower [deleted]." ACT Proposal at IA-65.

<sup>6</sup> For the first time in its comments on the agency report, ACT contended, based on publicly available information contained on Bauer's website, that Bauer's rating under the experience factor was unreasonable in light of Bauer's allegedly limited relevant barrier wall work experience. Since ACT learned the identity of the awardee as well as Bauer's ratings at its debriefing, this issue could have been raised in ACT's initial protest, and is untimely when first raised almost 6 weeks later. 4 C.F.R. § 21.2(a)(2) (2011).

<sup>7</sup> While we do not address every issue raised by ACT, we have nonetheless reviewed all of its arguments, and conclude that they do not provide a basis to sustain the protest.

applicable statutes and regulations; a protester's mere disagreement with the agency's conclusions does not render the evaluation unreasonable. 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 subjects only to the tests of rationality and consistency with the RFP's evaluation factors. James Construction, B-402429, Apr. 21, 2010, 2010 CPD ¶ 98 at 3; Brisk Waterproofing Co., Inc., B-276247, May 27, 1997, 97-1 CPD ¶ 195 at 3.

### Technical Approach

ACT challenges its overall "acceptable" rating under the technical approach factor, and its ratings under the various related subfactors. According to ACT, it should have been more highly-rated. For example, under the encasement wall and barrier wall subfactor, for which ACT was rated "acceptable," offerors were required to demonstrate a good understanding of the RFP's requirements by setting out detailed approaches for the required excavation in the dam's karst geology (described as including irregular, weathered, soil-filled and open features, overhangs and vertical rock surfaces). RFP Amend. No. 12 at 3. For instance, offerors were required to show proven capability by providing drilling deviation data for secant piles, panels and continuous barrier walls constructed with the same equipment and under similar conditions. RFP Amend. No. 12 at 3, 16.

Despite this requirement, ACT had never previously performed barrier wall construction work, thus it had no barrier wall project data of its own. Instead, ACT provided verticality deviation data from the manufacturers of its proposed equipment. In particular, and relevant to this decision, ACT provided deviation data for the [deleted] drill it proposed to drill pilot holes, which guide the equipment that will ultimately drill the secant column elements. The agency concluded that the data provided by ACT was questionable because it was not based on the performance of secant pile construction work, and was not based on drilling in similar geology for dam barrier wall construction. Moreover, regarding the data actually provided, the agency was concerned that ACT might not be capable of achieving the [deleted]-inch verticality deviation required by ACT's approach. The agency's findings in this regard are consistent with the limited data provided by ACT in its proposal. Specifically, ACT's data show at least two instances of verticality deviations in excess of [deleted] when drilling to the depths required by the RFP. ACT Proposal at IA-44; RFP Technical Specifications § 315610, ¶ 3.1.4.1.

In addition, the concerns regarding ACT's data translated directly to concerns about ACT's ability to perform the requirements. Given the nature of ACT's all-secant wall, which, by design, includes more columns and thus more joints than construction of a combined secant and panel barrier wall (due to the narrower dimensions of secants compared to larger panels), the lack of more persuasive verticality deviation data for the protester's proposed pilot hole drilling equipment reasonably raised questions about the promised sufficiency of ACT's joint overlaps.

We also find reasonable the agency's concern regarding ACT's understanding of the RFP's requirements where ACT based its proposal, in part, on instantaneous production rates rather than the agency's requested industrial production rates. The agency explains that instantaneous rates reflect ideal conditions, whereas industrial production rates typically include factors that can slow scheduled performance, thereby reflecting a more realistic estimated rate of production. Contracting Officer Statement at 14. In this regard, ACT's proposal expressly stated that its pricing was based on instantaneous rates, rather than industrial rates, while acknowledging that its industrial production rates will in fact be lower than its instantaneous rates.

Additionally, our review confirms that the agency reasonably questioned ACT's understanding of the RFP requirements for foundation grouting. In this regard, grouting work was required below the soil line and the top of the rock foundation. RFP Technical Specifications § 315610, ¶ 1.4.2.1. Nonetheless, the agency concluded that ACT's proposal was, at best, unclear as to the firm's understanding of the requirement in that it included an assumption that the agency would separately direct grouting below the soil/rock interface and provide additional payment for the work. ACT Proposal at IA-69. We have reviewed ACT's proposal and the agency's conclusions, and, based on this record, the protester's contention that it should have received a technical evaluation rating higher than "acceptable" for the encasement wall and barrier wall subfactor is unpersuasive.

ACT's contention that it should have been rated higher under the other two technical approach subfactors is also baseless. Under the quality control and verification subfactor, the record reflects that ACT received a rating of "good" despite its failure to provide a detailed contingency plan for slurry loss emergencies, as required by the RFP; the fact that its quality control data collection system had not yet been used on a barrier wall construction project; its failure to document how its quality control program had been used on prior similar projects through the submission of required quality control summary plots for concrete used for at least two previous barrier wall projects; and, its failure to provide monitoring equipment for agency personnel at platform level for viewing excavation alignment. Final Source Selection Evaluation Board Report at 21; Source Selection Decision Document at 6-9. ACT simply has not shown that a higher rating was warranted in light of these referenced weaknesses. As for ACT's "acceptable" rating under the barrier site plan subfactor, the protester provides no valid basis to question the reasonableness of the agency's concerns regarding the location of sludge and storm water ponds, a weakness which directly led to ACT's "acceptable" rating.

To the extent ACT contends that the agency did not conduct meaningful discussions regarding its technical approach, we again find the protest to be without merit. Specifically, ACT complains that the agency failed to mention any concern regarding the proposed design's secant spacing. ACT also argues that the agency failed to specifically explain that concerns raised during discussions about ACT's

ability to maintain verticality so that the minimum overlap of 6 inches at each secant joint would be met, were heightened by the fact that ACT's all-secant approach had comparatively more joints that could be affected by ACT's inability to maintain verticality.<sup>8</sup>

The requirement to conduct meaningful discussions is satisfied when an agency identifies deficiencies and significant weaknesses in each offeror's proposal that could reasonably be addressed in a manner to materially enhance the offeror's potential for award. PAI Corp., B-298349, Aug. 18, 2006, 2006 CPD ¶ 124 at 8. An agency only needs to lead an offeror into the areas of its proposal requiring amplification or revision; all-encompassing discussions are not required, nor is the agency obligated to "spoon-feed" an offeror as to each and every item that could be revised to improve its proposal. ITT Indus. Space Sys., LLC, B-309964, B-309964.2, Nov. 9, 2007, 2007 CPD ¶ 217 at 12.

The record reflects that the agency asked at least two detailed questions of ACT during discussions requesting deviation data to assess the accuracy of the firm's proposed verticality for its design. Those questions specifically referenced a provision title used in ACT's proposal, "Barrier Wall Element Design," which includes the proposed terms of ACT's barrier wall design, including its proposed column spacing. Discussions Questions 1a and 1b; ACT Proposal at IA-41. The agency thus led ACT into an area of its proposal that was considered acceptable, and raised concern as to whether the firm's verticality requirements would be met. To the extent ACT now contends that moving its columns closer together would be an "obvious" way to increase the overlap, and would lessen any concern about meeting verticality requirements, it was incumbent upon ACT to review its design, as identified in discussions, and make revisions in its revised proposal, not in a protest submission. Protester's Comments at 14.

Further, we do not agree with the protester that its all-secant approach, which involves more joints than a combined secant/panel wall, needed to be more directly identified during discussions. Because the agency's concern about the number of joints associated with ACT's approach was directly related to the firm's failure to more convincingly demonstrate that its design's proposed tight verticality deviation tolerance would be met during its pilot hole drilling work, a matter that was raised during discussions, the agency did not need to independently raise this directly

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<sup>8</sup> In its initial protest, ACT contended that the agency failed to meaningfully discuss almost all of the numerous weaknesses (including several not referenced in this decision) found in its proposal. Despite the agency's detailed response to these contentions, ACT's comments on the agency report did not address many of the agency's responses. As a result, we consider these arguments abandoned and will not discuss them further. See The Big Picture Co., Inc., B-220859.2, Mar. 4, 1986, 86-1 CPD ¶ 218 at 5.

related issue. As noted above, agencies are not required to “spoon-feed” offerors during discussions.

#### Experience

ACT also protests the marginal rating its proposal received under the experience evaluation factor. For a favorable evaluation under the factor, the RFP required documentation of self-performance of projects similar in nature and scope to the extensive excavation and construction of dam barrier wall requirements set out in the RFP. RFP Amend. No. 12 at 5, 17. ACT has performed foundation grouting work at the Center Hill Dam site, and based on this work, the agency credited ACT with familiarity with the site; however, since grouting work involves materially different processes and equipment than barrier wall construction, the agency did not credit ACT with any relevant experience. Our review also confirms the reasonableness of the agency’s determination that ACT’s proposal failed to sufficiently demonstrate its subcontractors’ relevant experience with dam barrier wall work of similar nature and scope to warrant additional evaluation credit under the specialized experience and similar work subfactor.<sup>9</sup> While ACT ultimately disagrees with this assessment, such disagreement does not demonstrate that the agency’s evaluation was unreasonable.<sup>10</sup>

Further, under the individual personnel experience subfactor, offerors were to present information about personnel employment history and show evidence of

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<sup>9</sup> To the extent ACT described past work for its subcontractors as providing drilling equipment and training for the operation of equipment, we agree with the agency that additional experience evaluation credit was not warranted. In this regard, ACT’s proposal failed to detail the extent of the subcontractors’ roles, commitment and responsibilities for work under the current RFP. Although some of ACT’s subcontractors were to supply operator/trainers, there was no clear showing in the proposal as to the extent of time any equipment-skilled subcontractor personnel would actually be operating the equipment (and thus how important their own experience would be to the actual performance of the overall construction work required) prior to training ACT personnel to perform the work.

<sup>10</sup> ACT also requests that we consider an exhibit to its comments, received after its comment deadline, that contains information concerning the evaluation of ACT’s proposal for a past cutoff wall procurement. In that procurement, ACT’s proposal was rated as “marginal” for specialized experience and “moderate risk” for past performance. The evaluators in that procurement also noted risk in ACT’s proposal due to the firm’s reliance on a subcontractor’s experience without ACT having any relevant experience of its own. Not only was this exhibit submitted on an untimely basis, it is immaterial to this dispute. This material concerns an evaluation under a different procurement and each procurement stands on its own. See Camnetics Mfg. Corp., B-299738, June 21, 2007, 2007 CPD ¶ 115 at 3-4.

experience on representative projects. Id. The record shows the evaluators assessed the key personnel proposed by ACT, including ACT personnel and its subcontractors' personnel, and reasonably noted that although some individuals had many years of construction experience, they had limited experience with similar dam barrier wall work. In addition, while some personnel were shown to have lengthy employment histories, many did not. The protester has not shown that the evaluation of its proposal under the experience factor was unreasonable.<sup>11</sup>

### Management Approach

Under the management description subfactor, each offeror was to provide a management approach describing how labor, resources, subcontractors and material suppliers will be coordinated. RFP Amend. No. 12 at 18. The RFP provided for an assessment of the firm's ability to demonstrate sound management practices for cutoff wall construction, the firm's understanding of the work, and its coordination of its work and that of the subcontractors. The agency found that although the protester had familiarity with the dam site and agency processes, its proposal failed to show any previous barrier wall construction management experience and did not adequately detail ACT's plan for the use and coordination of its subcontractors to support a higher rating than marginal. ACT disagrees.

On this issue, the record shows that ACT was specifically asked during discussions to identify the extent of the work to be performed by the subcontractors. ACT's final revised proposal generally noted that only [deleted] percent of the work (in terms of overall contract dollar value) was to be performed by its subcontractors.<sup>12</sup> ACT Proposal at IIIA-3. The agency found it minimally acceptable (marginal) for ACT to rely on its subcontractors for their claimed relevant experience, and yet propose to use those personnel for a minimal amount of the overall work required under the RFP. Moreover, to the extent ACT proposed subcontractors to [deleted], the

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<sup>11</sup> The protester's lack of experience was considered a significant weakness; the agency raised seven questions about the protester's experience, several of which expressly advised ACT that its subcontractors' and its individual personnel's experience were not adequately demonstrated in its proposal. ACT has not shown that discussions were not meaningful in this area.

<sup>12</sup> Contrary to ACT's contention that the agency did not meaningfully discuss its subcontractors' involvement in the overall performance of the RFP's requirements, our review of the record shows that during discussions held with the firm, the agency specifically requested information about the percentage of work to be performed by each subcontractor. To the extent the protester now contends the roles to be filled by its subcontractors are more substantial than the percentage of the overall contract value alone had identified, it was incumbent upon the protester to include that information in its proposal, not in a protest after award.

evaluators were concerned, and we think reasonably so, about the firm's ability to manage such an extensive project for work it had not previously performed, while using, in some instances, newly-trained operators and subcontractors it has not worked with before. ACT has failed to demonstrate that the agency's concerns were unreasonable.

Under the organization chart subfactor, for which the ACT proposal also received a rating of "marginal," the RFP required offerors to submit an organization chart with, among other things, roles and responsibilities of technical specialists, subcontractors and management. Offerors were specifically advised that proposing one individual for two or more key positions was not considered favorable. RFP Amend. No. 12 at 6, 18. Notwithstanding this admonition, ACT's organization chart reflected overlapping management roles.

For example, the [deleted] was also identified as the [deleted]. The agency had concerns about this approach since the individual's [deleted] duties could interfere with performance of [deleted] duties, or vice versa. Final Source Selection Evaluation Board Report at 27. Similarly, ACT proposed some of the same equipment operators for encasement wall work that it proposed for barrier wall work.<sup>13</sup> ACT Proposal at IIB-2. The agency also faulted ACT's proposal for failing to identify a barrier wall quality control specialist, a position required by the technical specifications. RFP Technical Specifications § 014501, ¶ 3.5.3. Given the proposal of dual roles, especially where the RFP instructed that the proposal of one individual for two or more key positions would be rated less favorably, and the firm's failure to identify a required dedicated barrier wall quality control specialist, our review of the record provides no basis to question the reasonableness of its marginal rating under the organization chart subfactor.

We also disagree with ACT's argument that its "satisfactory" rating under the schedule subfactor was unreasonable. Under the schedule subfactor, offerors were to provide a proposed schedule for all work requirements from mobilization through project completion. RFP Amend. No. 12 at 6, 18. The record reflects that the agency identified various weaknesses with ACT's proposal under this subfactor. First, the agency was concerned that ACT proposed [deleted] for the excavation of the encasement wall, noting that equipment failures could impede the schedule if repairs were delayed. We find this concern reasonable. We further find reasonable the evaluators' view that ACT's offer to work [deleted], if necessary to get back on schedule, did not provide a basis for additional evaluation credit (beyond the satisfactory rating assigned). In this regard, the protester has not shown how

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<sup>13</sup> ACT argues that any concern regarding the equipment operators is baseless due to the sequence in which the work was to be performed. ACT's contention is refuted by its own proposal schedule, however, which provides for [deleted]. ACT Proposal at IIC-4.

working [deleted] would address schedule interruptions caused by delayed equipment repairs. Moreover, although the evaluators rated the protester's proposed schedule as satisfactory, they also had reasonable concerns about the reliability of ACT's stated production rates for excavation, as discussed above. Again, the agency questioned whether ACT's production rates were realistic since they were not based on self-performed project data or actual experience with similar dam barrier wall construction. The protester has not shown that the evaluators unreasonably failed to rate the proposal higher under the schedule subfactor, or under the management approach factor.

### Past Performance

ACT next disputes its "unknown risk" rating under the past performance factor. The RFP provided for the assignment of risk ratings based on an assessment of offerors' past performance on relevant barrier wall projects similar in nature and scope to the solicitation project. In this regard, the RFP provided that the same projects evaluated under the experience factor were to be evaluated under the past performance factor. RFP Amend. No. 12 at 14, 18. The record reflects that the agency issued an amendment to delete references to the assignment of adjectival ratings for past performance, leaving only the risk ratings of unknown, high, moderate, or low risk. ACT apparently misunderstood the amendment to entirely eliminate past performance as an evaluation factor. As a result, the company deleted from its final revised proposal previously submitted information regarding its prior grouting contracts. Since ACT demonstrated no relevant experience of its own, and presented only limited information about its subcontractors' experience (for which past performance information was not found), the agency reasonably assigned ACT an unknown performance risk rating. Consistent with the solicitation's terms, the agency considered this "unknown risk" as neither a negative or a positive in the consideration for award. We see no basis for our Office to conclude that the unknown performance risk assessment was objectionable.<sup>14</sup>

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<sup>14</sup> To the extent ACT contends the agency failed to include past performance information during discussions, there was no requirement to do so. The nature and relevance of the work submitted by ACT for evaluation under the experience factor, which was the stated basis for assessment of past performance, was clear to the agency. See Standard Communications, Inc., B-296972, Nov. 1, 2005, 2005 CPD ¶ 200 at 8.

## Price Analysis and Trade-off

Finally, ACT challenges the SSA's best-value trade-off decision. First, to the extent ACT argues that it was based upon flawed discussions and an unreasonable evaluation, the contention has no merit since, as discussed above, the evaluation of the firm's proposal was reasonable and the discussions held were proper. Second, to the extent ACT argues that the SSA's decision was flawed because the SSA based her decision, in part, on concerns regarding the realism of ACT's price, yet price realism was not a stated basis for evaluation, the challenge is without merit. ACT correctly points out that the solicitation did not specifically provide for a separate price realism evaluation and that price realism is not usually considered in a fixed-priced contract since the contractor bears the risk of having submitted a below-cost offer. Nevertheless, the realism of an offeror's price may be considered in terms of the offeror's understanding of requirements where the technical evaluation factors contemplate an assessment of the offeror's understanding of the work or the risk associated with a proposal. See METAG Insaat Ticaret A.S., B-401844, Dec. 4, 2009, 2010 CPD ¶ 86 at 6.

As noted above, the subject solicitation provided for both an assessment of an offeror's technical understanding and the risk inherent in an offeror's proposal. Consistent with the terms of the RFP, the SSA documented her concerns regarding ACT's unreasonable technical assumptions, which, in the agency's view, reflected ACT's inherent lack of understanding of the solicitation requirements and increased the risk of unsuccessful performance. Concluding that some of the concerns identified directly impacted the underlying basis for ACT's price, the SSA questioned whether ACT's low price, which was significantly below government estimates, stemmed from ACT's failure to fully understand the RFP requirements, and led the SSA to conclude that ACT's price appeared to be "unrealistic." Source Selection Decision Document at 21. Given that the SSA's concerns regarding ACT's low price were entirely derived from her reasonable concerns regarding ACT's lack of technical understanding, we have no basis to question the propriety of the SSA's source selection decision. METAG Insaat Ticaret A.S., *supra*.

The protest is denied.

Lynn H. Gibson  
General Counsel