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Decision

Matter of: Booz Allen Hamilton, Inc.

File: B-412744; B-412744.2

Date: May 26, 2016

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DIGEST

Protest challenging the agency's evaluation and the selection of lower-rated, lower-priced proposal is denied where the record shows that the agency's evaluation and selection decision were reasonable and consistent with the solicitation.

DECISION

Booz Allen Hamilton, Inc. (Booz Allen) of McLean, Virginia, protests the issuance of a task order to Honeywell Technical Solutions, Inc. (Honeywell) of North Charleston, South Carolina, under task order request for proposals (TORFP) N65236-15-NR-55279, issued by the Department of Navy, Space and Naval Warfare Systems Command (Navy) for technical and programmatic support. Booz Allen protests the evaluation of proposals and the selection decision.

We deny the protest.

BACKGROUND

The TORFP was issued on August 7, 2015, pursuant to Federal Acquisition Regulation (FAR) Subpart 16.5, to firms that had been awarded an Integrated Cyber

Operations (ICO) unrestricted pillar indefinite-delivery, indefinite-quantity (IDIQ) contract,¹ for various services related to cybersecurity support.² TORFP at 5, 8; Agency Report (AR), Combined Contracting Officer's Statement of Facts and Memorandum of Law (COSF/MOL) at 3. The TORFP contemplated the award of a single cost-plus-fixed-fee, level of effort task order with a base period of 1 year and two 1-year options. TORFP at 40. Award was to be made on a best-value basis, considering the following factors: technical capability and cost. Id. at 59. The technical capability factor contained three subfactors, which were all of equal importance.³ See id. at 60-62. The solicitation stated that the technical evaluation factor was significantly more important than cost, but reserved the right "to award to a lower cost offeror when the . . . benefits associated with a technically superior proposal do not support the payment of any associated cost or price premium." Id. at 59.

The technical capability factor was evaluated based on the corporate experience of the offerors. Id. at 60. In this regard, the solicitation instructed offerors to demonstrate their technical capabilities and experience with respect to the three subfactors and their elements by providing data from at least one but no more than five contract references on relevant contracts performed by the offeror and any significant subcontractors within the last three years. Id. at 52-53. Offerors, further, were required to describe how their experience related to the portion of the performance work statement (PWS) evaluated under the evaluation factors. Id. at 51. The solicitation advised offerors that cursory responses or responses that merely recited or reformulated solicitation language would not be considered as satisfying the requirements of the solicitation or as demonstrating the offeror's ability to perform. Id.

¹ The solicitation was amended three times. All citations to the TORFP are to the final version, as amended on September 4, 2015. All citations to the record are to the pagination provided by the agency.

² The solicitation lists the requirements as project execution, security operation support services, information assurance (IA), certification and accreditation (C&A), cybersecurity/IA policy, risk management services and network engineering services at locations throughout the continental United States (US) and outside the continental US. TORFP at 8.

³ These subfactors were Command/Control security operation center (C2SOC), and tools for cybersecurity management (subfactor A1); independent verification and validation, validator, and risk assessments (subfactor A2); and C&A tool training, information assurance system security officer (ISSO) support, C&A documentation support, and IA self assessments and cybersecurity (subfactor A3). See TORFP at 60-62.

For the cost factor, the solicitation provided a pricing model that contained the exact mix of labor categories and hours and estimated amounts for travel and material that the government anticipated using under the task order, and emphasized that offerors were not to deviate from the provided level-of-effort. See id. at 45, 55, 56, 64, 66-102. Offerors were to propose labor rates and the total costs for the labor categories identified for each period of performance for the task order. See id. at 56, 66-102. Offerors were also instructed to submit documentation substantiating their proposed direct labor rates, such as payroll records, letters of intent, or salary survey data. Id. at 46. Offerors were to provide copies of correspondence from the Defense Contract Audit Agency (DCAA) or Defense Contract Management Agency (DCMA) regarding their most recent approval of the offeror's rates and systems. See id. at 48, 55, 66. The solicitation stated that the cost proposals would be evaluated for price reasonableness, cost realism, and use of uncompensated overtime. Id. at 63. The solicitation also advised that proposed costs might be adjusted for the purposes of evaluation, based on the results of the cost realism analysis. Id. at 64.

The agency received six timely proposals, including those from Booz Allen and Honeywell. The technical proposals were evaluated by a source evaluation board (SEB) that assigned strengths, weaknesses, significant weaknesses, deficiencies, and adjectival ratings for each subfactor, and an overall adjectival rating for the technical capability factor. AR, COSF/MOL at 12. A cost analyst conducted the price reasonableness, cost realism, and uncompensated overtime evaluation. Id. at 15. The proposals were evaluated as follows:

	Booz Allen	Honeywell
Technical Capability	Outstanding	Good
Subfactor A1	Outstanding	Acceptable
Subfactor A2	Outstanding	Outstanding
Subfactor A3	Good	Good
Total Proposed Cost	\$37,229,954.31	\$34,389,307.42
Total Evaluated Cost	\$37,616,516.57	\$34,649,104.08

AR, Tab 8, Business Clearance Memorandum (BCM) at 11.⁴

⁴ As relevant here, the evaluation plan provided for the following adjectival ratings: outstanding, good, and acceptable. AR, Tab 14, Evaluation Plan at 21. The evaluation plan defined outstanding as “[p]roposal exceeds requirements and demonstrates exceptional technical capability and experience. Strengths far outweigh any weaknesses. Risk of unsuccessful performance is very low.” Id. It defined good as “[p]roposal exceeds requirements and demonstrates proficient technical capability and experience. Proposal contains strengths which outweigh any weaknesses. Risk of unsuccessful performance is low.” Id. Further, it defined
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As relevant here, as part of the agency's cost evaluation, the agency performed a labor rate comparison to determine whether the rates were realistic and sufficient for the contractor to obtain and maintain a qualified staff. See id. at 18. Because this task order was for a new requirement, i.e., not a follow-on task order, and there were therefore no invoices available supporting the proposed effort, the agency utilized an independent government estimate (IGE) model based on average rate information compiled from over 2,000 proposals and updated regularly by the agency in establishing the IGE. Id. at 6, 19. The agency also reviewed the documentation submitted by the offerors to substantiate their labor rates, and contacted DCAA and DCMA to confirm whether rate information was available. Id. at 19; AR, Tab 16, Affidavit of Cost Analyst at 2.

The cost analyst's review of the cost proposals observed that each offeror's proposed price fell below the IGE, which was approximately \$48 million. AR, Tab 16, Affidavit of Cost Analyst at 2. The cost analyst analyzed each cost element of the IGE and the offers to determine the cause for the discrepancy between the proposals' prices and the IGE, and found that the individual, unburdened proposed labor rates, as well as the averages of the unburdened labor rates, were consistently lower than those of the IGE. Id. As a result, the agency concluded that the average of the labor rates proposed by all the offerors was a more realistic reflection of the costs that were likely to be incurred under this task order than the rates used to develop the IGE. Id. at 2-3. In this regard, the agency took into consideration that salaries paid by the competing contractors for the duration of this task order would have an impact on the labor market, and on an offeror's ability to hire and retain qualified employees. Id. at 2.

Because substantiating documentation that would allow the agency to determine whether a proposed rate was realistic was not always submitted or available from DCAA or DCMA for many of the offerors, the agency established standards for determining the realism of the proposed labor rates. Id. See also AR, Tab 8, BCM at 19. For each labor category, the average rate of all offerors was developed by using the proposed base-year labor rates, including all proposed rates from offerors and their subcontractors, whether or not the entity actually proposed to provide hours for any given labor category. AR, Tab 8, BCM at 19. The agency then developed a range for each rate, based on one standard deviation above and one standard deviation below the average rate for all offerors for each labor category. Id. For each labor category, a rate equal to the average rate of all offerors minus one standard deviation was considered the lowest realistic rate (LRR). Id.

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acceptable as "[p]roposal meets requirements and indicates an adequate technical capability and experience. Strengths and weaknesses are offsetting or will have little or no impact on contract performance. Risk of unsuccessful performance is no worse than moderate." Id.

Generally, rates falling within the range were determined to be realistic because the agency considered this range to constitute the labor cost an offeror could reasonably be expected to incur during the performance of the task order. Id. As a result, adjustments were made to labor rates falling below the LRR unless adequate justification was provided in the offeror's proposal or available from information provided by DCAA or DCMA.

The Source Selection Authority (SSA) conducted a comparative assessment of the proposals based on his review of the SEB Report and the results of the cost evaluation, and documented his tradeoff and selection decision. See AR, Tab 8, BCM. As relevant here, the SSA stated in his comparative assessment of Booz Allen's and Honeywell's proposals that he examined each offeror's proposal to determine if there were any attributes or advantages of Booz Allen's proposal that would merit its price premium of approximately 8.6 percent. Id. at 46. He found that while Booz Allen's proposal was assessed two more strengths than Honeywell's, both offerors demonstrated proficient technical capability, and he did not consider the benefits associated with Booz Allen's more highly-rated proposal sufficient to warrant the payment of the price premium. Id. As a result, the SSA concluded that Honeywell's proposal offered the best value, and selected this firm for award. Id. at 50.

On December 24, 2015, the agency notified the offerors, including Booz Allen, of the award decision. AR, Tab 9, Notice of Award. The protester was debriefed on February 10, 2016, and this protest followed.

DISCUSSION

Booz Allen challenges numerous aspects of the agency's evaluation of its own and Honeywell's technical proposals; the agency's cost realism analysis; and the selection decision.

In reviewing protests of an agency's evaluation and source selection decision, even in a task or delivery order competition as here, we do not reevaluate proposals; rather, we review the record to determine whether the evaluation and source selection decision are reasonable and consistent with the solicitation's evaluation criteria and applicable procurement laws and regulations. See Ball Aerospace & Techs. Corp., B-411359, B-411359.2, July 16, 2015, 2015 CPD ¶ 219 at 7. A protester's disagreement with the agency's judgment, by itself, is not sufficient to establish that an agency acted unreasonably. Id. Although we do not specifically address all of Booz Allen's arguments, we have fully considered all of them and find that they afford no basis on which to sustain the protest.

Technical Evaluation

The protester argues that the agency erroneously assigned a weakness to its proposal under technical capability subfactor A1 and that it should have assigned additional strengths and a higher rating under subfactor A3.⁵ Protest at 31-36. The protester also argues that the agency should have assigned significant weaknesses to Honeywell under subfactors A1 and A2⁶, resulting in an overall lower rating under the technical capability factor. See Protest at 36; Supp. Protest at 37-38.

We have long held that the evaluation of proposals is a matter within the discretion of the procuring agency; we will question the agency's evaluation only where the record shows that the evaluation does not have a reasonable basis or is inconsistent with the RFP. Hardiman Remediation Servs., Inc., B-402838, Aug. 16, 2010, 2010 CPD ¶ 195 at 3. An offeror risks having its proposal evaluated unfavorably where it fails to submit an adequately written proposal. Recon Optical, Inc., B-310436, B-310436.2, Dec. 27, 2007, 2008 CPD ¶ 10 at 6.

With regard to the evaluation of Booz Allen's proposal, Booz Allen argues that the agency erroneously assigned a weakness to its proposal under subfactor A1, element A1.1., which required offerors to demonstrate experience directing support to the government using government-furnished tools as well as operating, tuning, and reviewing maintenance of cybersecurity tools, software suites, devices, appliances and systems, including "[t]he [DELETED] . . . or the equivalent replacements." Booz Allen argues that it should not have been assessed a weakness because its proposal demonstrated such experience. Protest at 31-34; see also TORFP at 61.

In response, the agency explains that Booz Allen's proposal contained a "single reference to [DELETED]," in a general statement that multiple tools were used to perform multiple functions within the C2SOC, without additional information about, for example, which tools supported which listed functions; any other detail about how [DELETED] was specifically utilized; or how actions utilizing the product were made. See AR, COSF/MOL at 20-21; AR, Tab 7, Affidavit of SEB Chair at 2. As such, the agency concluded that merely mentioning tools without a clear discussion of the process in which they were used did not adequately describe Booz Allen's experience. See AR, COSF/MOL at 21; AR, Tab 7, Affidavit of SEB Chair at 2. The agency explained, further, that by contrast, the descriptions of how the tools that

⁵ Subfactor A1 was C2SOC and tools for cybersecurity management and subfactor A3 was C&A tool training, ISSO support, C&A documentation support, and information assurance self assessments and cybersecurity. See TORFP at 60-62.

⁶ Subfactor A2 was independent verification and validation, validator, and risk assessments. Id. at 61-62.

Booz Allen claims should have been considered to be “equivalent replacements” were utilized very clearly demonstrated its experience. See AR, COSF/MOL at 21-22; AR, Tab 7, Affidavit of SEB Chair at 2.

Although the agency did not agree that the described products were equivalent replacements, as they were part of a completely different product category, the protester’s descriptions of these “equivalent replacement” tools included a level of descriptive detail that was not provided for by the protester’s description of the [DELETED]. See AR, COSF/MOL at 21-22; AR, Tab 7, Affidavit of SEB Chair at 2. As our Office has held, offerors are responsible for submitting a well-written proposal with adequately-detailed information that allows for a meaningful review by the procuring agency. Hallmark Capital Grp., LLC, B-408661.3 et al., Mar. 31, 2014, 2014 CPD ¶ 115 at 9. On this record, we find the agency’s evaluation unobjectionable.

Booz Allen, further, argues that its proposal should have received additional strengths for each of the four elements under subfactor A.3. See Protest at 35-36. In response, the agency explains that Booz Allen was assigned strengths for exceeding elements A 3.1 and A 3.2. See Protest at 23-24. See also AR, Tab 10, SEB Report at 9. The agency explains that Booz Allen’s proposal merely demonstrated that Booz Allen satisfied the requirement for elements A 3.3 and A 3.4 and, without any further explanation, did not merit the assignment of strengths. See AR, COSF/MOL at 24-27; AR, Tab 7, Affidavit of SEB Chair at 3-4. We agree, as discussed below.

Element A 3.3 required offerors to demonstrate experience developing required artifacts and provide security control implementation information as required for certification and accreditation packages. See TORFP at 62. The agency explains that while Booz Allen’s proposal noted that it supported over [DELETED] accreditation packages, developed and reviewed packages for both large-scale network enclaves and complex systems; and provided “[DELETED],” Booz Allen’s proposal did not specify the scope of those packages or provide technical details about the systems, networks, or packages. See AR, COSF/MOL at 24-25; AR, Tab 7, Affidavit of SEB Chair at 3. See also AR, Tab 17, Booz Allen Technical Proposal at 18-19. Thus, the agency could not determine whether this experience exceeded the requirements of the solicitation. See AR, COSF/MOL at 24-25; AR, Tab 7, Affidavit of SEB Chair at 3. As a result, the agency determined that Booz Allen’s large volume of work satisfied the requirement but did not otherwise exceed it. See AR, COSF/MOL at 25; AR, Tab 10, SEB Report at 8.

The agency similarly found that Booz Allen satisfied, but did not exceed, the requirement for configuration management under element A 3.4 and that the experience cited by Booz Allen in its protest (authoring the Risk Management Framework (RMF) process framework guide, generating templates, and participating in the RMF pilot) did not demonstrate experience related to this

element because such process is not used in developing or managing a configuration management capability as required under the element A 3.4. Id. at 25-27; AR, Tab 7, Affidavit of SEB Chair at 4; AR, Tab 10, SEB Report at 8. We see nothing unreasonable with the agency's conclusions.

With regard to the evaluation of Honeywell's proposal, Booz Allen first argues that Honeywell should have been assigned a significant weakness for its inability to staff Fully Qualified Navy Validators (FQNV) under subfactor A2.⁷ Protest at 36-39. In this regard, Booz Allen primarily asserts that the FQNV certification is being replaced by the Navy Qualified Validator (NQV), and that Booz Allen, as the Navy's NQV developer, it is the only vendor that could have "NQVs trained and executing" during the task order period of performance. See Protest at 36-39. In response, the agency explains that the solicitation did not require offerors to be certified as NQVs. See AR, COSF/MOL at 28. Rather, the solicitation required that offerors demonstrate under subfactor A2, element A2.2, experience maintaining qualified validator status in compliance with Department of Defense Cybersecurity/IA Certification and Accreditation Directives and Process, which Honeywell satisfied. See id. at 28-29; TORFP at 62; AR, Tab 10, SEB Report at 16. The agency explains that the task order required that offerors have personnel on the US Fleet Cyber Command list of FQNVs within six months of task order award. See AR, COSF/MOL at 28; TORFP at 35-36. The agency also explains that the NQV certification process is still being established and there are currently no NQVs. See AR, COSF/MOL at 28-29. Accordingly, this protest ground is without merit.

Booz Allen also argues that Honeywell should have been assigned a significant weakness or deficiency rather than merely a weakness for its lack of demonstrated experience tailoring response events for [DELETED] under subfactor A1. Supp. Protest and Comments at 35-37. In this regard, Booz Allen claims that the three strengths it received under subfactor A1, element A1.1, which requires offerors to, among other things, demonstrate experience integrating, operating, tuning and maintaining a set of capabilities and tools, "underscores the significance of these requirements to the agency." Id. at 37. In this regard, the protester argues that "Honeywell's inability to protect against cybersecurity risks significantly increases the risk to the government in terms of cost, performance and schedule," so that

⁷ The protester also argued, without any support, that Honeywell "demonstrated an *inability* to provide adequate Navy Validator Support," on another contract. See Protest at 38 (italics in original). Honeywell did not submit this reference in its proposal and the past performance information on that contract submitted by the agency in its agency report did not contain any information, nor does the protester contend it does, to support the protester's allegation. Compare AR, Tab 10, SEB Report at 14 and AR, Tab 20, Contractor Performance Assessment Report for N65236-13-D-4956-0002 with Supp. Protest and Comments at 38.

Honeywell's proposal should have been assigned a significant weakness or deficiency. Id.

Contrary to Booz Allen's assertions, however, our review of the record shows that the agency did not find that Honeywell was incapable of protecting against cybersecurity risks. See AR, Tab 10, SEB Report at 15. Rather, the agency found that Honeywell's lack of demonstrated experience tailoring response events for [DELETED] "increase[s] the probability of inefficient response to known threats . . . result[ing] in the Offeror's inability to successfully integrate customer requirements, as required by PWS [requirements for the C2SOC and the tools for cybersecurity management]" and that it warranted a weakness but not a significant weakness. Id. Booz Allen's disagreement with this conclusion is not sufficient to establish that the agency acted unreasonably. Ball Aerospace & Techs. Corp., supra.

Cost Evaluation

Booz Allen raises a number of arguments challenging the agency's cost analysis.⁸ Booz Allen primarily disputes the agency's use of the LRR⁹ in its cost realism analysis. See Protest at 44-45; Supp. Protest and Comments at 6-16. In this regard, Booz Allen claims that the LRR is flawed and does not provide a proper tool to determine the government's costs because it does not screen for unrealistic rates proposed by offerors, fails to take into account material differences in the offerors' technical proposals, and was not based on the IGE.

When an agency evaluates a proposal for the award of a cost-reimbursement contract or task order, an offeror's costs are not dispositive because, regardless of

⁸ For example, Booz Allen claims that the agency failed to meaningfully consider risk associated with uncompensated overtime that Honeywell allegedly proposed. See Supp. Protest and Comments at 17-18. However, the record shows that Honeywell did not propose any uncompensated overtime. See AR, Supp. AR (SAR) Tab 9, Honeywell Cost Narrative at 2 ("B.8.4 UNCOMPENSATED OVERTIME POLICY (NONE PROPOSED)"); AR, Tab 8, BCM at 31 ("No Uncompensated Overtime was proposed by Honeywell or its team members for this task order."). While Booz Allen also takes issue with the fact that Honeywell's accounting system had not been audited by DCAA since 2006, the record shows that the agency was aware of this and subsequently took steps to confirm the adequacy of Honeywell's accounting system. Compare Supp. Protest and Comments at 16-17 with AR, Supp. MOL at 13-14; AR, Tab 8, BCM at 4, 51-52; AR, SAR Tab 3, Affidavit of Cost Analyst at 1.

⁹ We note that in its filings, Booz Allen incorrectly refers to the average rate of the offers as the LRR, whereas the LRR is actually one standard deviation below the average rate. However, this does not change the outcome of our decision.

the costs proposed, the government is bound to pay the contractor its actual and allowable costs. FAR § 15.305(a)(1); Exelis Sys. Corp., B-407673 et al., Jan. 22, 2013, 2013 CPD ¶ 54 at 7; CGI Fed. Inc., B-403570 et al., Nov. 5, 2010, 2011 CPD ¶ 32 at 5 n.1. Consequently, an agency must perform a cost realism analysis to determine the extent to which an offeror's proposed costs are realistic for the work to be performed. FAR § 15.404-1(d)(1); Solers Inc., B-409079, B-409079.2, Jan. 27, 2014, 2014 CPD ¶ 74 at 4. An agency's cost realism analysis requires the exercise of informed judgment, and we review an agency's judgment in this area only to see that the cost realism analysis was reasonably based and not arbitrary. Info. Ventures, Inc., B-297276.2 et al., Mar. 1, 2006, 2006 CPD ¶ 45 at 7. The analysis need not achieve scientific certainty; rather, the methodology employed must be reasonably adequate and provide some measure of confidence that the agency's conclusions about the most probable costs under an offeror's proposal are reasonable and realistic in view of other cost information reasonably available to the agency at the time of its evaluation. Id.

When conducting a cost realism analysis, agencies are required to consider the realism of a firm's proposed costs in light of its unique technical approach. Metro Mach., Corp., B-402567, B-402567.2, June 3, 2010, 2010 CPD ¶ 132 at 6. However, where, as here, a solicitation provides a cost model that specifies the labor mix and level of effort for offerors' proposals, an agency may reasonably evaluate the rates proposed for those established labor categories based on other data, such as the rates proposed by other offerors. See CSI, Inc.; Visual Awareness Techs. and Consulting, Inc., B-407332.5, et al., Jan. 12, 2015, 2015 CPD ¶ 35 at 10-11; Energy Enter. Solutions, LLC; Digital Mgmt., Inc., B-406089 et al., Feb. 7, 2012, 2012 CPD ¶ 96 at 9-10. As such, we do not find the agency's use of the LRR as a tool for determining the realism of the offerors' proposed labor rates to be objectionable. Here, the agency utilized the LRR as a tool in the absence of other information (e.g., salary survey data or DCAA or DCMA correspondence) substantiating the realism of the offerors' proposed labor rates. See AR, Tab 8, BCM at 19; see, e.g., id. at 23-25 (agency's use of LRR in the evaluation of Booz Allen's subcontractors where information provided to support labor rates was found to be insufficient to substantiate realism of proposed rates).

We are also unpersuaded by the protester's argument that the use of the LRR was problematic because it could have included unrealistic or unduly low rates that reflected technically inferior proposals that did not reflect an understanding of the solicitation's requirements. See Protest at 44-45; Supp. Protest and Comments at 14-16; Second Supp. Protest and Comments at 11-12, 15-16. Here, the solicitation did not require the offeror to propose any technical approach, nor did it allow for the offerors to provide any information that would have reflected or

demonstrated any technical understanding or solutions. See TORFP at 52-55 (requiring offerors to demonstrate “technical capability based on corporate experience”).

Moreover, the protester’s contention that the agency ignored the IGE or did not meaningfully consider it in its evaluation is not supported by the record. Protest at 44-45; Supp. Protest and Comments at 9-15; Second Supp. Protest and Comments at 10-11. Here, the agency concluded that the rates proposed by the offerors were a more realistic representation of the costs to be incurred under this task order after comparing the cost elements of the IGE with those of the offers and finding that the proposed rates were lower than the IGE. We find nothing unreasonable with the agency’s conclusion.

In sum, we find the protester’s arguments challenging the agency’s use of the LRR in its cost realism analysis without merit.¹⁰ As such, we also deny Booz Allen’s challenges to the cost realism analysis of Honeywell’s subcontractor’s rates, based on its assertion that the subcontractor’s rates in several labor categories were low when compared to the IGE, the average rate of all offerors, the Booz Allen rates, or the Honeywell rates, but were marginally higher than the LRR. See Second Supp. Protest and Comments at 16-19.

Selection Decision

Booz Allen raises a number of arguments challenging the selection decision. In this regard, the protester primarily argues that the agency’s best-value tradeoff was inconsistent with the solicitation which stated that the technical factor was significantly more important than cost, and was otherwise flawed because it relied

¹⁰ Booz Allen also argued that our recent decision in American Sys. Corp., B-412501.2, B-412501.3, Mar. 18, 2016, 2016 CPD ¶ 91, highlighted the flaws in the use of a rate analysis tool that was substantially similar to the LRR, and asserts that our Office found in that protest that the agency appropriately took corrective action “to rescind its use of average rates as a cost realism tool.” See Supp. Protest and Comments at 6; Second Supp. Protest and Comments at 19-23. We disagree. In American Sys. Corp., the agency had a number of concerns about the adequacy of aspects of its evaluation, including its cost realism analysis, that led it to take corrective action; the awardee protested, arguing that corrective action was not necessary to remedy the flaw that the agency believed existed in its procurement process. American Sys. Corp., supra, at 5-8. Our Office found that corrective action proposed by the agency, including revising the solicitation’s evaluation criteria and soliciting new proposals based on the revised criteria, was appropriate to remedy the flaws identified by the agency as applicable to the procurement in that case. Id. at 8. We did not find, as Booz Allen suggests, that the use of an LRR is necessarily a “flawed method.” See id. at 7-8.

on a technical evaluation that, according to the protester's arguments above, was defective. See Protest at 23-39; Supp. Protest and Comments at 20-38.

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 evaluation results; price/technical trade-offs may be made, and the extent to which one may be sacrificed for the other is governed only by the test of rationality and consistency with the solicitation's evaluation criteria. Halfaker and Assocs., LLC, B-407919, B-407919.2, Apr. 10, 2013, 2013 CPD ¶ 98 at 12. Even where, as here, technical merit is significantly more important than cost, an agency may properly select a lower-cost, lower-rated proposal if it reasonably decides that the cost premium involved in selecting a higher-rated, higher-cost proposal is not justified. Id.

First, contrary to the protester's arguments that the SSA considered the two proposals to be technically equal, the record shows that the SSA found Booz Allen's technical proposal to be superior to Honeywell's. Compare Protest at 28; Supp. Protest and Comments at 23 with AR, Tab 8, BCM at 46, 50. Moreover, the record shows that, based on his comparative assessment between the two offerors' proposals, the SSA recognized additional strengths in Booz Allen's proposal under subfactor A1, but did not find that the benefits associated with Booz Allen's technically superior proposal warranted paying the associated 8.6 percent price premium. See AR, BCM at 46, 51; AR, Tab 13, Affidavit of SSA at 6-7. In this regard, the SSA explained that he found Booz Allen's overall technical capability to be only modestly better when compared to that of Honeywell and found that the difference in reduced performance risk associated with Booz Allen's technical proposal did not justify the associated cost premium.¹¹ See AR, Tab 13, Affidavit of SSA at 7-8. We find nothing unreasonable in the SSA's conclusions in that regard.

Further, as described above, the record does not support Booz Allen's challenges to the agency's technical evaluation. Accordingly, we find no merit to Booz Allen's

¹¹ Booz Allen was rated outstanding overall (“[p]roposal exceeds requirements and demonstrates exceptional technical capability and experience . . . Risk of unsuccessful performance is very low”) while Honeywell was rated good overall (“[p]roposal exceeds requirements and demonstrates proficient technical capability and experience . . . Risk of unsuccessful performance is low”). See AR, Tab 8, BCM at 8; AR, Tab 14, Evaluation Plan at 21.

objections to the agency's selection decision, which are based upon those alleged errors.

The protest is denied.

Susan A. Poling
General Counsel