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Decision

Matter of: ManTech Systems Engineering Corp.

File: B-412132

Date: December 23, 2015

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DIGEST

Protest that the agency's cost risk analysis, which discussed potential agency actions to mitigate potential unsuccessful task order performance, resulted in a fundamental change to the task order requirements, is denied where the record shows that the agency did not modify the task order requirements and the cost risk analysis was a discussion of the cost risks the agency could potentially face if the awardee failed to perform as required under the task order.

DECISION

ManTech Systems Engineering Corporation, of Fairfax, Virginia, protests the issuance of a task order to Celeris Systems, Inc., of Anaheim, California, a small business, under request for proposals (RFP) No. N00024-14-R-3486, issued by the Department of the Navy, Naval Sea Systems Command, for engineering, programmatic, and technical support services associated with acoustic and sonar testing. ManTech contends that the agency conducted a flawed evaluation of proposals and made an unreasonable selection decision.

We deny the protest.

BACKGROUND

The RFP, issued on January 8, 2015, sought proposals from holders of indefinite-delivery/indefinite-quantity contracts under the Seaport Enhanced (SeaportE) multiple-award program to provide engineering, programmatic, and technical support services to support Surface Ship Radiated Noise Measurement (SSRNM),¹ Fleet Sonar Self Noise (FSSN), Common Acoustic Acquisition System (CAAS),² Portable Cetacean Monitoring System (PCMS),³ 3-Dimensional Multiplexors (3DMUX),⁴ and other Navy range programs. RFP at 10. The RFP specified that the required support would include planning, acquisition data collection, reduction, and analysis of different types of noise data; design, operation, and maintenance of equipment systems; and updates of acoustic prediction models based on ships' radiated noise data. RFP at 10. ManTech is the incumbent contractor for these services. Protest at 11.

The RFP provided for the award of a cost-plus-incentive fee task order, with a base and four option years, on a best-value basis considering the following evaluation factors (with the non-cost factors listed in descending order of importance): (1) technical approach and capability; (2) management approach; (3) small business subcontracting plan and small business utilization past performance; (4) past performance; and (5) cost/price. RFP at 50. The RFP further provided that while the non-cost factors were moderately more important than cost/price, the degree of importance of cost would increase "when the cost is so significantly high as to diminish the value of [an offeror's] technical superiority." RFP at 50.

The RFP provided that "[t]he contractor shall provide necessary personnel to accomplish all contract work and services within . . . specified timeframes," and further stated that the contractor shall provide personnel with the required qualifications, necessary licenses, certifications, training, experience levels and security clearances. RFP at 11. In this regard, the RFP indicated that the program manager was the only key person for this task order, and provided the minimum qualifications for that position. Id. at 11-12. The RFP also identified the other

¹ SSRNM tests provide qualitative assessments of a ship's current acoustic signature. RFP at 10.

² CAAS is typically used to measure radiated noise for Navy anti-submarine warfare and other weapon systems under development. RFP at 10.

³ PCMS is typically used during the performance of weapon testing to ensure no mammals will be endangered as a result of prospective acoustic emissions. RFP at 10.

⁴ 3DMUX is a system that translates digital to analog and analog to digital range data and communications. RFP at 10.

required, non-key labor categories (e.g., senior engineer, junior engineer, scientist, computer systems analyst, software developer or engineer, and data entry operator), and set forth the necessary education, experience, and backgrounds for each labor category. Id. at 11-14.

For example, the solicitation contained the following requirements for the position of Senior Engineer:

Senior Engineer (Mechanical, Electronic, Electrical or Acoustic)
Description: Knowledge of acoustic systems used within this document, naval vessels and shipboard mechanical systems and how these systems interoperate. Engineering work will involve direct-touch with U.S. warships.

Education: A Bachelor of Science degree from an ABET^[5] accredited college or university is required in Mechanical, Electronic, Electrical, Acoustic or related Engineering field.

Experience: This position requires at least seven (7) years specialized experience; or a master's degree in appropriate field and at least five (5) years specialized experience. Experience applicable for the work to be performed:

- Acoustical or sonar experience with submarine and surface ship sonars, (including state-of-the-art digital sonar systems), torpedo sonars, transducer design, underwater sound analysis, or acoustic test facilities.
- USW systems testing and analysis experience relevant but not limited to such operations or exercises as Surface Ship Radiated Noise Measurement (SSRNM).
- Experience associated with U.S. Naval at-sea operations as related to undersea warfare in the areas of acoustic signature, PRAIRIE^[6], noise propagation and silencing.
- Experience in local area networks, interfacing computer systems, data gathering systems, underwater weapons programming, fire control system software, sonar signal processing, underwater weapons development, or technical information systems design.

RFP at 12.

⁵ ABET stands for Accreditation Board for Engineering and Technology.

⁶ PRAIRIE stands for propellor air ingestion and emission systems.

However, the solicitation specifically provided for evaluating the resume of only the program manager. With regard to other personnel, the solicitation indicated that the agency would evaluate the offerors' management plan, including the offeror's "approach to[:] provid[ing] qualified personnel." RFP at 51.

As relevant here, the RFP provided the following technical rating definitions:

Marginal . . . Proposal does not clearly meet the requirements and has not demonstrated an adequate approach and understanding of the requirements. The proposal has one or more significant weaknesses that are not offset by strengths. Risk of unsuccessful contract performance is high.

Unacceptable . . . Proposal does not meet the requirements and contains one or more deficiencies. The proposal is unawardable.

RFP at 54.

The agency received proposals from two offerors (Celeris and ManTech) in response to the solicitation. The proposals were evaluated as follows:

Evaluation Factor	Celeris	ManTech
Technical Approach & Capability	Marginal	Good
Management Approach	Marginal	Good
Small Business	Outstanding	Good
Past Performance	Substantial Confidence	Substantial Confidence
Evaluated Cost	\$11,225,256	\$15,094,111

Agency Report (AR), Tab 6, Business Clearance Memorandum & Source Selection Decision Document (BCM/SSDD), at 58.

Under the technical capability factor, the agency assigned four weaknesses and one significant weakness to Celeris' proposal, and four strengths and no weaknesses to ManTech's proposal. AR, Tab 4, Source Selection Evaluation Board (SSEB) Report, at 7-8, 11-12. Under the management approach factor, the agency assigned one weakness and one significant weakness to Celeris' proposal, and two strengths and no weaknesses to ManTech's proposal. Id. at 9-10, 13.

The source selection authority (SSA) requested that the SSEB chair supplement the agency's SSEB report and the cost evaluation with a cost "risk assessment," to "document[] the cost risks associated with Celeris' proposal." Agency Report (AR), Tab 7, Risk Assessment, at 2; see AR, Tab 6, BCM/SSDD, at 64; Combined Agency Report (AR)/Contracting Officer's (CO) Statement at 2. The cost risk assessment calculated the potential cost risks that the agency could encounter if Celeris were unable to successfully perform the task order and the agency had to take actions to mitigate Celeris' unsuccessful performance. Id. at 3-6. In this regard, the cost risk assessment listed each of the weaknesses and significant weaknesses assigned to Celeris' proposal and estimated the potential cost risk associated with it.

For example, under the technical capability factor, Celeris' proposal was assigned a weakness for not demonstrating an understanding of the knowledge, skills, and abilities required to support the sonobuoy acoustic level test systems (SALTS) team. AR, Tab 7, Risk Assessment, at 3. In calculating the cost risk associated with this weakness, the agency concluded that it potentially might need to provide two additional government full time equivalent (FTE) operators for the first four SALTS trials until Celeris was trained and its employees were fully qualified as system operators. Id. The agency estimated that this mitigation measure could potentially cost the government an additional \$113,848. Id. Overall, the agency concluded that the total cost risk associated with Celeris' proposal was approximately \$1.8 million. AR, Tab 6, BCM/SSDD, at 64.

The SSA's tradeoff decision discussed each of the strengths, weaknesses, and significant weaknesses assigned to the offerors' proposals. AR, Tab 6, BCM/SSDD, at 58-68. The tradeoff decision also identified discriminators for each proposal. For example, under the past performance factor, although the two proposals received the same adjectival rating (substantial confidence), the SSA found that ManTech's past performance was a discriminator because it was more similar in scope, complexity, and dollar value, and therefore provided the agency with a greater likelihood that the past performance would be an indicator of future performance. Id. at 63.

With regard to cost, the SSA noted that Mantech's evaluated cost was 34.5% higher than Celeris' evaluated cost. Id. The SSA also considered the two offerors' proposed incentive fees, noting that Celeris' potential incentive fee was \$[DELETED] while ManTech's was \$[DELETED]. Id. at 64. The SSA found that both fees were sufficient to provide the offerors an incentive to control costs. Id. Finally, the tradeoff decision also considered the potential cost impact associated with Celeris' weaknesses. In this regard, the SSA noted the potential risk of an additional \$1.8 million in costs in the event that Celeris was unable to successfully perform the requirements of the task order. Id.

In comparing the two proposals, the SSA concluded that ManTech's higher ratings and discriminators under the technical approach/capability and management approach factors provided "some benefit" to the government. AR, Tab 6, BCM/SSDD, at 68. The SSA, however, concluded that:

Even though ManTech's proposal contains strengths that would benefit the Government, the evaluated cost difference of \$3,868,855 (or \$2,031,512 including the risk assessment) . . . is not considered reasonable by the SSA, particularly considering [the non-cost] Factors 1 through 4 combined are only moderately more important than Factor 5: Cost/Price.

Id. Thus, the SSA found that Celeris' proposal represented the best value. Upon learning of the resulting award, and after being debriefed, ManTech filed this protest with our Office.⁷

DISCUSSION

ManTech asserts that Celeris' proposal was unacceptable and should not have been considered for award. Supp. Protest at 14-16; Supp. Comments at 22-26. The protester further contends that the agency's discussion of possible mitigation measures resulted in fundamental changes to the requirements for this task order. Supp. Protest at 1-9; Supp. Comments at 7-17. We have considered all of ManTech's arguments and find that none provide a basis for questioning the source selection decision. We discuss several of the arguments below.

Evaluation of Celeris' Proposal

ManTech contends that the awardee's proposal should have been evaluated as unacceptable under the technical capability and management approach factors. Protest at 12-14; Supp. Protest at 14-16. For example, the protester contends that Celeris' proposal should have been evaluated as unacceptable under the technical capability factor for failure to propose a SIPRNET (secure internet protocol router network) facility. Supp. Protest at 14.

With regard to SIPRNET, the RFP stated that "[t]he contractor will be required to establish and maintain a SIPRNET enclave and classified workplace at its facility that meets all associated security requirements." RFP at 18. Celeris' proposal stated the following regarding SIPRNET:

⁷ Since the value of this task order is in excess of \$10 million, this procurement falls within our jurisdiction to hear protests related to the issuance of task orders under multiple-award ID/IQ contracts valued in excess of \$10 million. 10 U.S.C. § 2304c(e)(1)(B).

As all three of our locations are collocated with NUWC [Naval Undersea Warfare Centers], . . . we recommend that expense of a separate SIPRNET be avoided through usage of existing facilities: NUWC San Diego using same SIPRNET as detachment SSRNM [Surface Ship Radiated Noise Measurement] personnel use; NUWC Keyport using same SIPRNET site that hosts the database; and West Palm using NUWC Newport SIPRNET (agreement in place for SIPRNET back up with NSWC [Naval Surface Warfare Center] Carderock . . .). If this is not feasible long term, we recommend that, on start-up, that [memorandums of agreement] be originated until a SIPRNET site can be approved by DISA [Defense Information Systems Agency]. We have researched the requirements to establish a SIPRNET site and also have previously used the process and established a site.

AR, Tab 3, Celeris Proposal, at 41-42. Thus, Celeris indicated in its proposal that it could establish a SIPRNET site and would if necessary, but it also proposed the cost-saving alternative of using NUWC SIPRNET sites that were collocated with the contractor's locations.

The agency assigned a significant weakness to Celeris' proposal, finding that Celeris did not sufficiently address how it would establish and maintain a SIPRNET site. AR, Tab 4, SSEB Report, at 8. In this regard, the SSEB concluded that any inability to obtain classified reports that provide the details of the ship signature at different speeds could impact fleet readiness. Id.

In reviewing a protest challenging an agency's evaluation, our Office will neither reevaluate proposals, nor substitute our judgment for that of the agency, as the evaluation of proposals is a matter within the agency's discretion. Analytical Innovative Solutions, LLC, B-408727, Nov. 6, 2013, 2013 CPD ¶ 263 at 3. Rather, we will review the record only to determine whether the agency's evaluation was reasonable and consistent with the stated evaluation criteria and with applicable procurement statutes and regulations. Id.

Here, we find that the agency reasonably assessed a significant weakness, rather than a deficiency, on the basis that Celeris does not currently have a SIPRNET facility, and proposed instead to use Navy SIPRNET facilities. We also find that the Navy reasonably concluded that the lack of a SIPRNET facility appreciably increased the risk of unsuccessful performance.⁸ While ManTech contends that the

⁸ The RFP defined a significant weakness as a flaw in an offeror's proposal that appreciably increases the risk of unsuccessful performance. A deficiency was defined as a material failure of an offeror's proposal to meet a government

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agency instead should have assigned a deficiency because Celeris' lack of a current SIPRNET facility is a material failure to meet the solicitation's requirements, we note that the solicitation did not require an offeror to currently possess a SIPRNET facility. Rather, the RFP stated that the contractor "will be required to establish and maintain a SIPRNET enclave." RFP at 18. Further, although Celeris proposed an alternative, cost-saving approach of using existing Navy SIPRNET facilities, it also stated that if the alternative approach was not feasible, it would proceed with obtaining a SIPRNET facility, stating: "[w]e have researched the requirements to establish a SIPRNET site and also have previously used the process and established a site." AR, Tab 3, Celeris Proposal, at 42. Although the Navy's evaluators concluded that Celeris' response involved an appreciable increase in risk, they did not conclude that this approach rose to the level of a material failure to meet the solicitation's requirements. The protester has not shown this judgment to be unreasonable.

In another example, ManTech contends that the awardee's proposal should have been evaluated as unacceptable under the management approach factor for failing to propose qualified personnel. Supp. Protest at 15-16. As set forth above, the RFP identified the required labor categories for this procurement, and listed education, experience, and background requirements for each labor category. For example, the position of senior engineer was required to have at least seven years of specialized experience or a master's degree in an appropriate field, and at least five years of specialized experience. The RFP listed the types of experience applicable to each position. One category of required experience was experience associated with naval at-sea operations as related to undersea warfare in the areas of acoustic signature, PRAIRIE, noise propagation, and silencing. RFP at 11-12.

In its proposal, Celeris provided a table identifying the individuals it proposed to use for each of the non-key positions identified in the solicitation and briefly summarizing each individual's education and experience. AR, Tab 3, Celeris Proposal, at 38-39; see RFP at 11-13. The proposal also stated that while the task order would be staffed with a combination of existing Celeris staff and prospective employees, Celeris would "take all reasonable action to recruit and retain incumbent employees." AR, Tab 3, Celeris Proposal, at 38.

In evaluating Celeris' personnel and staffing plan, the agency evaluators assigned a significant weakness because they found that the table in Celeris' proposal did not identify any personnel with experience or qualifications in the PRAIRIE systems. The evaluators concluded that this posed a significant risk of unsuccessful

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requirement or a combination of significant weaknesses in a proposal that increases the risk of unsuccessful performance to an unacceptable level. RFP at 54.

performance because it could result in the need for re-testing and increased cost risk to the program. AR, Tab 4, SSEB Report, at 10.

ManTech contends that Celeris' failure to name staff with experience with the PRAIRIE system should have resulted in the assignment of a deficiency, and the elimination of Celeris' proposal from the competition. Supp. Protest at 15-16.

We find no basis to question the agency's decision not to assign Celeris a deficiency in this regard. As noted by the agency, the solicitation made clear that only the resume for the program manager was to be specifically evaluated. Supp. AR at 29; see RFP at 51. In this regard, section M of the RFP provided under the management factor that the:

Offeror's Management Plan will be evaluated on the reasonableness and thoroughness of the approach to workforce management including the approach to[:] provid[ing] qualified personnel. . . .

* * * * *

The resume for the Program Manager will be evaluated for the required education requirements and relevant acoustic or sonar Program Management technical and leadership experience as identified in Section C.

RFP at 51. Although Celeris' proposal did not clearly establish that it would provide personnel with PRAIRIE experience, the solicitation did not require this level of detail for non-key personnel. Moreover, we note that even if Celeris did not identify personnel with PRAIRIE experience, it proposed to "take all reasonable action to recruit and retain incumbent employees." AR, Tab 3, Celeris Proposal, at 38. Given that the solicitation did not require offerors to name and describe in detail the qualifications of non-key personnel, nor require the agency to evaluate the qualifications of non-key personnel, and given Celeris' proposal to take all reasonable action to recruit and retain incumbent employees, the record supports the agency's approach of assigning a significant weakness denoting significant risk, but not a deficiency, to Celeris' discussion of its staffing approach.

Change to Task Order Requirements

ManTech next contends that the mitigation strategies identified in the agency's risk assessment fundamentally changed the way in which the task order is to be performed. Supp. Protest at 1-7. For example, the cost risk analysis identified the following potential cost risks associated with several weaknesses in Celeris' proposal arising from the company's lack of experience with acoustic trials:

Mitigation: In order to mitigate the risk of unsuccessful performance of acoustic trials, the government would need to augment and provide a team to support the operations, as well as training, until Celeris' employees are fully qualified and proficient at the various system positions. Using the qualification process for government operators as the basis of estimate, additional training and time under instruction would be required for Celeris employees to qualify as a system operator, analyst, test director, and test engineer. Additionally, training with subject matter experts would be required for the test engineer to obtain the requisite knowledge of the PRAIRIE system.

Cost Impact: Due to the requirements for each position, it is anticipated that the government would provide four (4) full time equivalent operators for the first two (2) trials, three (3) full time equivalent operators for the next two (2) trials, and two (2) full time equivalent operators for the remaining eight (8) trials of the base year at AUTECH [Atlantic Undersea Test and Evaluation Center]. This would continue into the second contract year with the government providing two (2) full time equivalent operators for all twelve trials performed in AUTECH.

AR, Tab 7, Risk Analysis, at 4.

In ManTech's view, the above-described approach of augmenting the Celeris workforce to mitigate risk fundamentally changed the requirements of the task order, which required the contractor to provide the personnel required to support acoustic tests. Supp Protest at 4. As a result, ManTech concludes that the order issued to Celeris differed materially from the requirement.⁹ Supp. Comments at 7.

The record, however, indicates that nothing in the order issued to Celeris changed any of the solicitation requirements. Compare AR, Tab 8, Award Document, with RFP. Further, the record reflects that the cost risk assessment was simply an attempt to quantify the potential cost risks associated with Celeris' proposal. That is, the agency did not modify the task order requirements; rather, it acknowledged the high risk of unsuccessful task order performance and calculated the potential costs associated with this risk, should the awardee fail to perform as required. See

⁹ ManTech further complains that its proposal was based on "ManTech's belief that the Navy would obtain little, if any, competition," and that if it had known that the agency would alter the task order requirements, then "ManTech would have anticipated more offerors . . . and could have changed its pricing strategy to reflect the increased competition." Comments at 8. We see no basis to provide relief to a contractor that decided a perceived lack of competition might justify a higher price.

Supp. AR at 8 (“the contract as awarded does not change either the hours Celeris is required to work or the PWS in any manner . . . [T]he mitigation measure[s] . . . [were] a worst case scenario”). The fact that the agency acknowledged and considered the potential ramifications of the risks associated with Celeris’ proposal does not demonstrate that the agency modified the requirements of this task order. Therefore, this protest ground is without merit.

Award Decision

Finally, ManTech asserts that the agency’s tradeoff decision was inconsistent with the solicitation’s evaluation criteria, which provided that the non-cost factors were moderately more important than cost, and instead converted the procurement into a lowest-priced, technically acceptable procurement. Supp. Protest at 11-13.

Where, as here, a procurement provides for issuance of a task order on a “best value” basis, it is the function of the SSA to perform a price/technical tradeoff, that is, to determine whether one proposal’s technical superiority is worth its higher price. Research and Dev. Solutions, Inc., B-410581, B-410581.2, Jan. 14, 2015, 2015 CPD ¶ 38 at 11. Source selection officials in negotiated best-value procurements have broad discretion in making price/technical tradeoffs. Further, it is well-settled that an agency properly may select a lower-rated, lower-priced proposal, even where price is a less important evaluation factor than technical merit, where it reasonably concludes that the cost premium involved in selecting the higher-rated proposal is not justified in light of the acceptable level of technical competence available at a lower cost. Paladin Data Sys. Corp., B-405995, Jan. 18, 2012, 2012 CPD ¶ 90 at 4-5. The extent to which one may be sacrificed for the other is governed only by the tests of rationality and consistency with the solicitation’s evaluation criteria. CyQuest Business Solutions, Inc., B-410366 et al., Dec. 18, 2014, 2015 CPD ¶ 13 at 13; World Airways, Inc., B-402674, June 25, 2010, 2010 CPD ¶ 284 at 12.

Here, the SSA thoroughly documented her rationale for selecting Celeris’ proposal as the best value to the government. See AR, Tab 6, BCM/SSDD, at 58-68. The SSA specifically discussed not only each proposal’s strengths and weaknesses, but also the discriminators associated with each proposal. In this regard, the SSA acknowledged that ManTech’s proposal was superior to Celeris’ under the technical approach/capability and management approach factors, and that while ManTech and Celeris were assigned the same adjectival rating under the past performance factor, ManTech’s more relevant past performance served as a discriminator in its favor. Id. The SSA also discussed each of the weaknesses and significant weaknesses assigned to Celeris’ proposal, and the risks associated with each weakness, including, for example, the risks associated with Celeris’ lack of experience with acoustic trials. Id. at 60. Overall, the record reflects that the SSA fully understood the risks of Celeris’ proposal and the strengths of ManTech’s proposal.

Notwithstanding the documented advantages of ManTech's proposal, the SSA concluded that Celeris' proposal offered the best value to the government. AR, Tab 6, BCM/SSDD, at 68. In this regard, the RFP specifically provided that while the non-cost factors were moderately more important than cost/price, the degree of importance of cost would increase "when the cost is so significantly high as to diminish the value of [an offeror's] technical superiority." RFP at 50. The SSA concluded that the 34.5% cost premium associated with ManTech's proposal was not a reasonable price premium for ManTech's technical superiority. Id. Further, the SSA considered the potential cost risk to the agency associated with Celeris' technical proposal and concluded that, even if the agency's worst-case scenario were realized and the agency had to spend an additional approximately \$1.8 million during Celeris' transition to full performance, ManTech's proposal would still carry a 15.6% cost premium, which the SSA concluded was not merited by the strengths of ManTech's proposal. Id.

In these circumstances, we find that the SSA's source selection was rational and consistent with the RFP's evaluation scheme, and that the SSA adequately documented the basis for her decision. In this regard, the SSA acted within her discretion to decide--after considering all the facts--that Celeris' proposal represented the best value to the government. While ManTech disagrees with the source selection, disagreement with the agency's judgment as to which proposal offers the best value to the agency, without more, does not establish that the source selection decision was unreasonable. CyQuest Business Solutions, Inc., supra; General Dynamics--Ordnance & Tactical Sys., B-401658, B-401658.2, Oct. 26, 2009, 2009 CPD ¶ 217 at 8; see Paladin Data Sys. Corp., supra (denying protest of tradeoff decision where solicitation stated that non-cost factors were significantly more important than cost and the agency concluded that award at a cost premium of nearly 40 percent did not represent the best value to the government, when compared to the other offeror's marginally-rated, but significantly lower-cost submission).

The protest is denied.

Susan A. Poling
General Counsel