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Decision

Matter of: PricewaterhouseCoopers Public Sector, LLP

File: B-415504; B-415504.2

Date: January 18, 2018

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DIGEST

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

DECISION

PricewaterhouseCoopers Public Sector, LLP (PWC), of McLean, Virginia, protests the issuance of a task order to BAE Systems Technology Solutions & Services, Inc. (BAE), of Rockville, Maryland, under request for quotations (RFQ) No. HSHQDC-17-Q-00213, issued by the Department of Homeland Security (DHS) to support DHS's Federal Network Resilience division. PWC challenges the agency's technical and price evaluations and source selection decision.

We deny the protest.

BACKGROUND

DHS issued the RFQ on July 10, 2017, to holders of the National Institutes of Health Information Technology Acquisition and Assessment Center (NITAAC), Chief Information Office, Solutions and Partners 3 (CIO-SP3) government-wide acquisition contract (GWAC). Agency Report (AR), Tab 4, RFQ at 1-2. CIO-SP3 is a 10-year,

multiple-award indefinite-delivery, indefinite-quantity (IDIQ) GWAC that authorizes federal agencies to issue task orders for information technology services pursuant to Federal Acquisition Regulation (FAR) subpart 16.5. CIO-SP3 GWAC (conformed, Mar. 2016), arts. B-1--B-4, G-7, available at <https://nitaac.nih.gov/services/cio-sp3> (last visited Jan. 17, 2018).

The solicitation provided for the issuance of largely a time-and-materials (T&M) task order for a base year and 4 option years.¹ RFQ at 1; encl. I, Statement of Work (SOW), at 42 (period of performance). The RFQ included a detailed SOW requiring the vendor to provide support services under seven broad task areas: (1) FISMA² reporting and risk scoring; (2) cybersecurity performance analytics; (3) trusted internet connections; (4) design and engineering support; (5) cybersecurity and operational assessment; (6) cybersecurity governance and training; and (7) surge support. SOW at 4-19. Each task area included numerous technical specifications and required services, although the SOW designated tasks nos. 2, 3, 6, and 7 as optional. Id.

The RFQ stated that award would be based on a best-value tradeoff among the following evaluation factors, listed in descending order of importance: technical approach, management approach, past performance, and price. RFQ, encl. III, Instructions & Eval. Factors, at 8. The RFQ advised that the non-price factors, when combined, were significantly more important than the price factor. Id. Vendors were to submit separate technical and price quotations. Id. at 1.

With respect to the technical approach evaluation factor, vendors were to propose a methodology for accomplishing the SOW tasks and demonstrate their knowledge, understanding, and capability to meet the SOW requirements. See id. Vendors were also to address their experience with five SOW task areas in particular (nos. 1, 2, 3, 4 and 7). See id. at 1-2.

With respect to the management approach evaluation factor, vendors were to propose an approach for providing integrated program support and describe how they would manage day-to-day operations, including resource allocation, quality assurance, problem resolution, and business processes. Id. at 2. The management approach was

¹ The RFQ's schedule also included, for each performance period, a cost reimbursable line item number (CLIN) for travel and other direct costs (ODCs), which was capped at \$15,000, as well as a CLIN for an agency service fee of 65 percent of the total task order cost, which was capped at \$150,000. See RFQ, encl. II, Sched., at 1-6 (CLIN nos. 0008 and 0009).

² That is, the Federal Information Security Modernization Act of 2014 (FISMA), Pub. L. No. 113-283, 128 Stat. 3073 (Dec. 18, 2014), which requires executive branch agencies to implement information security programs and gave DHS specific oversight responsibilities in that regard. See SOW at 2; see generally <https://www.dhs.gov/fisma> (last visited Jan. 17, 2018).

also to discuss how the vendor would provide the highest quality staffing, including timely recruitment, replacement, and retention of personnel with appropriate skills, technical training, formal education, certifications and “ability to obtain security clearances.” Id. Vendors were to submit resumes for 75 percent of the personnel proposed for each SOW task area and letters of commitment for at least 2 of the most senior personnel for each area. Id.

With respect to the past performance evaluation factor, vendors were to submit a reference and questionnaire for at least two public or private sector contracts performed by the vendor as the prime contractor. See id. at 2-3; encl. V, Past Performance Questionnaire. The contracts were to demonstrate experience performing work similar in size, scope, and complexity to the SOW, and must be current or performed within 3 years from the date of the vendor’s quotation. See RFQ at 3.

Finally, with respect to price, vendors were to propose, for each performance period, fixed prices for seven T&M CLINs corresponding to each SOW task area, using the spreadsheets provided with the RFQ. RFQ, encl. III, at 4; Sched.; encl. IV, Contract Clauses, at 4 (incorporating FAR provision 52.216-31, Time-and-Materials/Labor-Hour Proposal Requirements--Commercial Item Acquisition). For each of the seven CLINs, vendors were also to propose fully-burdened, fixed hourly rates for the labor categories and hours listed for each task area.³ See id. In addition, vendors had to provide a copy of their CIO-SP3 contract, including its pricing schedule, and identify any discounts from their CIO-SP3 labor rates, which were strongly encouraged. RFQ, encl. III, at 4. A vendor’s proposed labor rates could not exceed its CIO-SP3 rates. Id.

DHS received quotations from three CIO-SP3 vendors, including PWC and BAE, by the July 31 submission deadline. Following discussions, PWC’s and BAE’s final revised quotations were evaluated as follows:

	PWC	BAE
Technical Approach	Good	Good
Management Approach	Good	Good
Past Performance	Outstanding	Outstanding
Total Evaluated Price	\$61,017,558	\$46,013,593

³ The RFQ advised that its labor categories and hours were provided for informational purposes and that vendors could propose an alternate labor mix and level of effort (LOE). RFQ, encl. III, at 4. If the vendor proposed such an alternate, then it had to provide a rationale demonstrating that the proposal would not impact performance, and the proposed labor categories had to be listed in the vendor’s CIO-SP3 contract. Id.

AR, Tab 29, Best Value Determination (BVD), at 2-3. The findings of the technical evaluation team (TET) and the price evaluator, as well as the RFQ's evaluation provisions, are addressed in relevant part below. The contracting officer, who was the source selection authority (SSA) for this procurement, performed a best-value tradeoff. See id. DHS issued a task order to BAE for \$41,703,220 on September 29, and this protest followed.⁴

DISCUSSION

PWC protests DHS' evaluation of technical and price quotations, as well as the agency's best-value tradeoff and source selection decision. Although we do not address each of PWC's arguments, we have considered all of the protester's contentions and find that none provide a basis to sustain the protest.⁵

Extension for Submission of BAE's Final Revised Quotation (FRQ)

As a preliminary matter, PWC contends that DHS should have rejected BAE's FRQ as late because it was submitted 30 minutes after the 12:00 p.m., September 18, deadline. PWC Comments at 6-10; see AR, Tab 19, BAE Discussions Letter, at 1. At issue here, BAE contacted DHS shortly before FRQs were due to request a 30-minute extension (until 12:30 p.m.) because BAE was having "outages" at its offices. See AR, Tab 34, Contract Specialist (CS) Email to Contracting Officer (CO), Sept. 18, 2017, at 10. The contracting officer granted the extension because neither the solicitation nor the request for FRQs stated that late submissions would not be considered, and because the solicitation was an RFQ, not a request for proposals (RFP). Id., CO Email to CS, Sept. 18, 2017, at 10; CS Email to BAE., Sept. 18, 2017, at 11; CO Statement (COS) at 9; MOL at 11 n.5, citing Gartner Inc., B-408933.2; B-408933.3, Feb. 12, 2014, 2014 CPD ¶ 67 at 2 ("It is well established that the standard for late proposals does not generally apply to requests for quotations.").

⁴ The awarded value of the task orders exceeds \$10 million. Accordingly, this procurement is within our statutory grant of jurisdiction to hear protests in connection with task and delivery orders valued in excess of \$10 million issued under civilian agency multiple-award IDIQ contracts. 41 U.S.C. § 4106(f).

⁵ For example, PWC contends that BAE's quotation should have been assessed a deficiency because its proposed project manager for SOW task area no. 1 (FISMA reporting and risk scoring) allegedly lacked a security clearance. PWC Comments at 10-13. As DHS notes however, the RFQ only required that proposed personnel have the "ability to obtain security clearances," and while the individual may not have listed his security clearance in the relevant section of his resume, the resume nevertheless indicated that he possessed a security clearance. See RFQ, encl. III, at 2; Supp. Memorandum of Law (MOL) at 15-20; AR, Tab 12, BAE Tech. Proposal, app. A at 7.

PWC acknowledges the RFQ exception to the late proposal rule, but contends that the strict lateness rule should apply in the context of a task order competition conducted, as here, under FAR subpart 16.5, regardless of the solicitation type. PWC Comments at 6. In this respect, PWC points out that the Federal Acquisition Streamlining Act of 1994 (FASA) and the FAR stipulate that IDIQ contractors be given a fair opportunity to be considered for task and delivery orders, which, according to PWC, necessarily “require[s] a significantly greater level of procedural rigor” than task order competitions conducted under FAR subpart 8.4, Federal Supply Schedules (FSS), or FAR part 13, Simplified Acquisition Procedures. Id. at 6-8, citing 41 U.S.C. 4106(c) and FAR subpart 16.5. PWC maintains that DHS afforded an unequal advantage and preferential treatment to BAE by granting the vendor an extension to submit its FRQ, and thereby deprived PWC of its right to a fair opportunity and fair consideration of its quotation. Id. at 7. These assertions lack merit.

The standard for late proposals is based on whether a solicitation seeks an offer that can be accepted by the government. See Team Housing Sols., B-414106, Feb. 10, 2017, 2017 CPD ¶ 55 at 5. An RFQ, unlike an RFP or invitation for bids, does not seek offers that can be accepted by the government to form a contract. Rather, the government’s purchase order represents the offer that the vendor may accept through performance or by a formal acceptance document. DataVault Corp., B-248664, Sept. 10, 1992, 92-2 CPD ¶ 166 at 2. It follows that language in an RFQ (or, in this case, the contracting officer’s request for FRQs) requesting quotations by a certain date cannot be construed as establishing a firm closing date for receipt of quotations, absent a late quotation provision expressly providing that quotations must be received by that date to be considered.⁶ Instruments & Controls Serv. Co., B-222122, June 30, 1986, 86-2 CPD ¶ 16 at 3. Agencies should thus consider any quotations received prior to source selection if no substantial activity has transpired in evaluating quotations and other vendors would not be prejudiced. Id.

We find no reason here to depart from the RFQ exception to the late proposal rule. Although PWC is correct that IDIQ contractors must be given a fair opportunity to submit a quotation under a FAR subpart 16.5 task order competition, neither FASA nor the FAR, in our view, requires the application of a strict lateness rule in the circumstances presented here. Moreover, PWC cannot possibly show that it was prejudiced, where nothing in the record here indicates that any evaluation activities occurred during the

⁶ Although neither the RFQ nor the request for FRQs included a late quotation provision, the contract specialist, in granting BAE a 30-minute extension, advised the vendor that the agency would not consider BAE’s FRQ if submitted after 12:30 p.m. on September 18. See RFQ; RFQ amends. 1 & 2; AR, Tabs 18 & 19, Discussion Letters. In our view, BAE met this deadline, notwithstanding PWC’s complaint that BAE submitted its FRQ at 12:30:36 p.m., that is, 36 seconds after 12:30. See AR, Tab 34, BAE Email to CS, Sept. 18, 2017, at 14; PWC Comments at 8-9. The decisions cited by PWC in this respect are inapposite because they involve different solicitation types (invitation for bids or RFP) or other factual distinctions.

half hour extension granted to BAE. We thus find that PWC has not shown that it was unreasonable or inconsistent with federal procurement laws and regulations for DHS to grant BAE a 30-minute extension to submit its FRQ. See KPMG Consulting LLP, B-290716, B-290716.2, Sept. 23, 2002, 2002 CPD ¶ 196 at 11 (denying protest that agency should have rejected a late proposal modification, notwithstanding the protester's arguments that the competition more closely resembled a negotiated procurement than a "simple FSS buy.").

Technical Evaluations

PWC protests DHS's evaluation of technical quotations under all three non-price evaluation factors. The evaluation of quotations is a matter within the discretion of the procuring agency. See Innovative Mgmt. & Tech. Approaches, Inc., B-413084, B-413084.2, Aug. 10, 2016, 2016 CPD ¶ 217 at 4. Our Office does not independently evaluate quotations; rather, we review the agency's evaluation to ensure that it is consistent with the terms of the solicitation and applicable statutes and regulations. Id. A protester's disagreement with the agency's judgment, without more, is not sufficient to establish that an agency acted unreasonably. Id.

We first note that PWC's challenges stem, in large part, from the protester's objections to the adjectival ratings and the number of strengths and weaknesses assessed by the evaluators. See Protest at 17 (challenging the allegedly "unreasonable and irrational conclusion" that quotations merited the same ratings under each evaluation factor); PWC Comments at 20 ("PwC's concern is not only that it should have received more strengths (to the extent it did not), but also that the agency failed to recognize . . . PwC's many innovations in concluding that the submission was not innovative enough to warrant an Outstanding rating."), at 28-30 (complaining that PWC should have been assessed a rating of outstanding under the technical approach factor because, unlike BAE, PWC was assessed no weaknesses under that factor). In this respect, many of PWC's objections also reflect its belief that as an incumbent, only PWC merited the highest ratings, particularly under the management approach and past performance evaluation factors.⁷ See, e.g., Protest at 28 ("Given PwC's exemplary performance on the incumbent effort . . . [and] because BAE [allegedly] lacks experience with the work the RFQ requires, DHS's determination that BAE deserved the same Outstanding [past performance] rating that PwC received in unreasonable."); PWC Comments at 35 ("DHS's assignment of the same Good rating [under the management approach factor] to both PwC and BAE reflected the agency's failure to meaningfully evaluate PwC's distinct advantage . . . it has [as] the incumbent . . .").

PWC's disagreement with adjectival ratings and the exact number of strengths and weaknesses assessed by the TET, is unavailing. First, the adjectival ratings and

⁷ According to the contracting officer, PWC is the incumbent with respect to SOW task area no. 1 (FISMA reporting and risk scoring) and parts of task area no. 2 (cybersecurity performance analytics). COS at 21.

definitions here were not included in the RFQ, but appear in the agency's evaluation plan, which was not provided to vendors. See RFQ; AR, Tab 4, RFQ amend. 1; Tab 5, RFQ amend. 1; Tab 7, Evaluation Plan, attach. 2, at 14. As such, the evaluation plan provides only internal agency guidelines and no grounds for PWC to argue that the rating assessments were inconsistent with the RFQ. See Epsilon Sys. Sols., Inc., B-409720, B-409720.2, July 21, 2014, 2014 CPD ¶ 230 at 7. Second, our Office has repeatedly rejected protest arguments that essentially seek a mathematical or mechanical consideration of the number of weaknesses assessed against the offerors. See Burke Consortium, Inc., B-407273.3, B-407273.5, Feb. 7, 2013, 2013 CPD ¶ 74 at 10-12. There is no legal requirement that any agency must award the highest possible rating, or the maximum point score, under an evaluation factor simply because a proposal or quotation contains strengths or is not evaluated as having any weaknesses, or both. See, e.g., Applied Tech. Sys., Inc., B-404267, B-404267.2, Jan. 25, 2011, 2011 CPD ¶ 36 at 9. Third, PWC's apparent belief that its incumbency status entitles it to higher ratings provides no basis for finding the evaluations unreasonable. See FFLPro, LLC, B-411427.2, Sept. 22, 2015, 2015 CPD ¶ 289 at 6. There is no requirement that an offeror be given additional credit for its status as an incumbent, or that the agency assign or reserve the highest rating for the incumbent offeror. See id.

Rather, the essence of an agency's evaluation is reflected in the evaluation record itself, not the adjectival ratings, and the relevant question is whether the record shows that the agency fully considered the actual qualitative differences in vendors' quotations. See Stateside Assocs., Inc., B-400670.2, B-400670.3, May 28, 2009, 2009 CPD ¶ 120 at 8; InfoZen, Inc., B-408234 et al., July 23, 2013, 2013 CPD ¶ 211 at 8. The record here shows that DHS fully considered the qualitative differences in PWC's and BAE's technical quotations, as discussed below.

Technical Approach

PWC contests many aspects of the agency's technical approach evaluation. The protester disputes, for example, the TET's overall conclusion that while PWC's technical approach was acceptable because it demonstrated current experience and ability to perform, it did "not incorporate innovative ideas that exceed the government requirement" PWC Comments at 22, citing AR, TET Rep., at 20. PWC contends that this amounted to application of an unstated evaluation criterion, because the RFQ was "completely silent on innovation" and none of its "provisions were sufficient to put offerors on notice that their submissions could be seriously downgraded due to a perceived failure to innovate" Id. According to PWC, "if the agency wanted submissions that exceeded its stated evaluation factors, it should have drafted more ambitious requirements or expressly told [vendors] that they would be evaluated based on the extent to which they offered solutions that exceeded what the agency requested." Id. Regardless, the protester maintains that the evaluators disregarded numerous innovative features in PWC's technical approach, and in its comments on the agency report, the protester presents a lengthy "chart describ[ing] in detail why several of the features PWC offered were, in fact, highly innovative" Id. at 16-19. The chart

compares the relevant SOW task areas to numerous excerpts from PWC's technical quotation, accompanied by the protester's explanation as to why these features are purportedly innovative. Id. PWC provided similar charts comparing excerpts from BAE's quotation and disputing the TET's assessments in this regard. Id. at 23-24, 26-27, 34.

Such arguments are unpersuasive and lack merit. For one, the TET's consideration of the extent to which vendors proposed innovative technical approaches did not amount to reliance on an unstated evaluation criterion. Where a solicitation, as here, indicates the relative weights of evaluation factors, the agency is not limited to determining whether a quotation is merely technically acceptable; rather, quotations may be evaluated to distinguish their relative quality by considering the degree to which they exceed the minimum requirements or will better satisfy the agency's needs. See ViroMed Labs., Inc., B-310747.4, Jan. 22, 2009, 2009 CPD ¶ 32 at 4. With specific regard to the consideration of innovations and/or creative approaches to distinguish the relative quality of quotations, an agency can properly consider both the extent to which quotations exceed the solicitation requirements and the extent to which offerors used innovative measures to respond to those requirements. See id.; IAP World Servs., Inc., B-297084, Nov. 1, 2005, 2005 CPD ¶ 199. Furthermore, notwithstanding PWC's lengthy charts contrasting its and BAE's technical quotations, we decline the protester's invitation to assess whether it proposed sufficiently innovative technical approaches or whether BAE's approach met the RFQ's requirements. See PWC Comments at 24.

In this regard, our role is not to independently evaluate quotations; rather, as stated above, we review the agency's evaluation to ensure that it is consistent with the terms of the solicitation and applicable statutes and regulations. Innovative Mgmt. & Tech. Approaches, Inc., supra. Here, the RFQ stated that DHS would evaluate the degree to which a vendor's technical approach demonstrated an understanding of the requirements and proposed specific methodologies to accomplish the work. RFQ, encl. III, at 6. The RFQ also stated that the agency would evaluate the overall extent to which the vendor fully understood and had experience and capabilities to perform five SOW task areas in particular. Id.

The contemporaneous record shows that the evaluations were consistent with these provisions. For example, the TET assessed a significant strength in PWC's technical approach for demonstrating an understanding of DHS's Federal Network Resilience (FNR) division and its strategic goals, based on PWC's seven years of experience supporting FNR. See AR, Tab 25, TET Rep., at 20. The TET also found that PWC's approach aligned with FNR's strategic goals to [DELETED] and would "create a [DELETED]." See id. The evaluators also assessed a number of strengths based on PWC's incumbent experience with SOW task area nos. 1 and 2 (FISMA reporting and risk scoring; cybersecurity performance analytics), as well as PWC's proposed technical approach to task area no. 6 (cybersecurity governance and training). Id. at 20-22. Moreover, the evaluators assessed no weaknesses in PWC's technical approach. This record hardly supports the protester's assertion that the TET "seriously downgraded" PWC's technical approach for not proposing innovative ideas. Moreover, nothing in the

record suggests that the TET evaluated BAE's technical approach disparately or contrary to the evaluation provisions above. Indeed, PWC does not dispute the strengths assessed in BAE's technical approach with respect to a number of SOW task areas.⁸

Although PWC disagrees with the evaluators' judgments, the protester's disagreement, without more, fails to show that the evaluations were unreasonable and provides no basis to sustain PWC's protest of DHS' evaluation of the vendors' technical approaches. See Procentrix, Inc., B-414629, B-414629.2, Aug. 4, 2017, 2017 CPD ¶ 255 at 7.

Management Approach

PWC raises a number of challenges to the evaluation of the vendors' management approaches, claiming that the agency's assessments were unequal in that regard.

The RFQ stated that DHS would evaluate the extent to which a vendor demonstrated sound business practices to effectively manage the SOW requirements, including resource allocation, systems to effectively manage high risk contracts, quality assurance, transition, staffing, and problem resolution. RFQ, encl. III, at 6. The RFQ also stated that the agency would evaluate the vendor's strategy to reduce risk with respect to recruitment and retention of qualified personnel, as well as the vendor's approach to responding to urgent staffing surges. Id. at 6-7. In addition, DHS would evaluate whether proposed personnel were qualified to successfully perform their proposed SOW tasks, based on the labor category requirements specified in the solicitation. See id. at 7; attach. A, Labor Categories, at 9-20.

The record does not support PWC's assertions that the management approach evaluations were inconsistent with these criteria. For example, PWC disputes the TET's assessment of a strength for BAE's "[DELETED] pool of cleared staff [DELETED]." PWC Comments at 31-32, citing AR, Tab 25, TET Rep., at 8. The protester complains that it was not assessed a similar strength for PWC's team of "1000s of cleared staff," but was instead assessed a "broadly worded strength addressing PWC's approach to staffing generally." Id., citing AR, Tab 9, PWC Tech. Proposal, at 20 and Tab 25, TET Rep., at 23.

In fact, the record shows that PWC was assessed a strength for a number of aspects of its management approach, including PWC's: "[DELETED] approach to staffing;" [DELETED] number of cleared staff that can begin performance on day 1; [DELETED]

⁸ For example, although the evaluators assessed a number of strengths, including significant strengths, in BAE's approach to task areas no. 2 (cybersecurity performance analytics), no. 3 (trusted internet connections), and no. 5 (cybersecurity and operational assessment), PWC largely focuses on the TET's assessments with respect to BAE's approach to some aspects of task area no. 1 (FISMA reporting and risk scoring). See PWC Comments at 23-27.

pool of resources; and [DELETED]--all of which the evaluators agreed would reduce gaps in contractor support and provide qualified staff to quickly ramp up depending on mission requirements. See AR, Tab 9, PWC Tech. Proposal, at 20 and Tab 25, TET Rep., at 23.

PWC also objects to the TET's assessment of a strength for BAE's proposal of a [DELETED] who possessed a doctoral degree (PhD), which exceeded the requirements for that position for SOW task area no. 6 (cybersecurity governance and training). Protester's Comments at 33, citing AR, Tab 25, TET Rep., at 9. PWC complains that it was not assessed a similar strength, even though it proposed two subject matter experts with PhDs for SOW task area no. 2 (cybersecurity performance analytics), which did not require such advanced degrees. Id., citing AR, Tab 9, PWC Tech. Proposal, at B-35-36, B-41-42. PWC, however, does not substantively dispute the TET's findings that the more qualified [DELETED] would benefit the FNR division's development of its training program, because of his advanced understanding of curriculum design. See PWC's Comments at 33; AR, Tab 25, TET Rep., at 9. In any event, even were we to assume that these strengths were assessed disparately (PWC has not persuaded us that they were), the protester cannot show that it was prejudiced in this respect, since the record shows that the evaluators reasonably assessed a greater number of strengths in BAE's management approach than PWC's approach.⁹ See AR, Tab 25, TET Rep., at 8-9, 23.

Again, PWC's disagreement with the TET's judgments and the exact number of assessed strengths assessed by the evaluators in the vendors' technical quotations, provides no basis for us to sustain PWC's protest of DHS's management approach evaluations.

Past Performance

PWC also challenges DHS's past performance evaluations. The protester contends that DHS failed to perform a comparative assessment of PWC's and BAE's past performance, but that the evaluators instead "focus[ed] solely on [their] own 'subjective' analysis." Protester's Comments at 27.

Where a protester challenges an agency's evaluation of experience or past performance, we will review the evaluation to determine if it was reasonable and consistent with the solicitation's evaluation criteria and procurement statutes and regulations, and to ensure that it is adequately documented. See MFM Lamey Group, LLC, B-402377, Mar. 25, 2010, 2010 CPD ¶ 81 at 10; Falcon Envtl. Servs., Inc., B-402670, B-402670.2, July 6, 2010, 2010 CPD ¶ 160 at 7. An agency's evaluation of

⁹ Competitive prejudice is an essential element of a viable protest; where the protester fails to demonstrate that, but for the agency's actions, it would have had a substantial chance of receiving the award, there is no basis for finding prejudice. See Special Servs., B-402613.2, B-402613.3, July 21, 2010, 2010 CPD ¶ 169 at 4.

past performance, including its consideration of the relevance, scope, and significance of an offeror's performance history, is a matter of discretion which we will not disturb unless the agency's assessments are unreasonable or inconsistent with the solicitation criteria. SIMMEC Training Sols., B-406819, Aug. 20, 2012, 2012 CPD ¶ 238 at 4.

Here, too, PWC has not shown that the evaluations were inconsistent with the RFQ, which indicated that the agency would evaluate the extent to which a vendor's past performance demonstrated its capability to fulfill the SOW requirements and the likelihood of successful performance. See RFQ, encl. III, at 3, 7. Contrary to the protester's assertion, the record shows that the SSA, in her best-value tradeoff described below, did in fact conduct a comparative assessment of PWC's and BAE's respective past performance. See AR, Tab 29, BVD, at 9 (comparing the scope of the vendors' respective contracts and performance reviews by their respective clients and concluding that the strengths and benefits of BAE's and PWC's past performance were similar and that neither offered a significant benefit over the other in that respect).

To the extent that PWC complains that the evaluators' past performance assessments were subjective, we have explained in numerous decisions that the evaluation of experience and past performance is, by its very nature, subjective. See Glenn Def. Marine-Asia PTE, Ltd., B-402687.6, B-402687.7, Oct. 13, 2011, 2012 CPD ¶ 3 at 7. Thus, like its challenges to DHS's evaluation of vendors' technical and management approaches, PWC's disagreement with the agency's evaluation judgments regarding PWC's and BAE's past performance does not demonstrate that those judgments were unreasonable. See id.

Evaluation of BAE's Price Quotation

PWC further challenges DHS's evaluation of BAE's price quotation. PWC maintains that the evaluation was "rudimentary and inadequate," perfunctory, "deeply flawed," and failed to include a price realism analysis to assess the risk that BAE could not recruit and retain qualified staff at its allegedly unrealistically low labor rates. See PWC Comments at 41; PWC Supp. Comments at 27-30. PWC also contends that DHS did not reasonably evaluate BAE's proposed labor rates and level of effort (LOE), particularly with respect to SOW task area nos. 1 and 2 (FISMA reporting and risk scoring; cybersecurity performance analytics). PWC Comments at 42-44.

We find that the record establishes the reasonableness of the agency's price evaluations. The manner and depth of an agency's price analysis is a matter within the sound exercise of the agency's discretion, and we will not disturb such an analysis unless it lacks a reasonable basis. Gentex Corp.--W. Operations, B-291793 et al., Mar. 25, 2003, 2003 CPD ¶ 66 at 27-28. It is up to the agency to decide upon the appropriate method for evaluation of cost or price in a given procurement, although the agency must use an evaluation method that provides a basis for a reasonable assessment of the cost of performance under the competing proposals. S. J. Thomas Co., Inc., B-283192, Oct. 20, 1999, 99-2 CPD ¶ 73 at 3.

First, contrary to the PWC's assertion, DHS was not required to perform a price realism analysis here. Where a solicitation anticipates award of fixed-price or time-and-materials task order with fixed-price, fully-burdened labor rates, the price realism of a proposal is not ordinarily considered, since the risk and responsibility for contract costs is on the contractor. See Ball Aerospace & Techs. Corp., B-402148, Jan. 25, 2010, 2010 CPD ¶ 37 at 8 n.7. In this regard, the fact that an offeror's price is below a government cost estimate, does not require the agency to conclude that the price is unrealistically low, since we have recognized that an agency may find even a below-cost price to be realistic. Optex Sys., Inc., B-408591, Oct. 30, 2013, 2013 CPD ¶ 244 at 5-6; Network Innovations, Inc., B-408382, B-408382.2, Sept. 4, 2013, 2013 CPD ¶ 220 at 5.

Second, while an agency may conduct a price realism analysis in awarding a fixed-price contract for the limited purposes of assessing whether an offeror's low price reflects a lack of technical understanding or risk, see FAR § 15.404-1(d)(3), offerors must be advised that the agency will conduct such an analysis. See STG, Inc., B-411415, B-411415.2, July 22, 2015, 2015 CPD ¶ 240 at 13-14 (applying the standard to procurements under FAR subpart 16.505). As our Office has found, in the absence of an express price realism provision, we will only conclude that a solicitation contemplates a price realism evaluation where the solicitation expressly states that the agency will review prices to determine whether they are so low that they reflect a lack of technical understanding, and where the solicitation states that a proposal can be rejected for offering low prices. DynCorp Int'l LLC, B-407762.3, June 7, 2013, 2013 CPD ¶ 160 at 9; STG, Inc., supra, at 14. Absent a solicitation provision providing for a price realism evaluation, agencies are neither required nor permitted to conduct one in awarding a fixed-price contract. Id. at 13-14

In our view, the RFQ neither contemplated a price realism analysis, nor provided reasonable notice to offerors that the agency would conduct a price realism analysis. Here, there was no technical or price evaluation factor providing for the evaluation of an offeror's understanding of the requirements such that a price realism analysis was reasonably foreseeable by the offerors. See Milani Constr., LLC, B-401942, Dec. 22, 2009, 2010 CPD ¶ 87 at 5; RFQ, encl. III, at 4-8. Moreover, the RFQ did not request cost or pricing information or any other information that would allow the agency to reasonably determine that a low proposed price reflected a lack of understanding of the task order requirements. See id.

Rather, the solicitation provided that DHS would evaluate vendor prices for reasonableness and that the evaluation would include the vendor's proposed LOE and labor mix. RFQ, encl. III, at 7. Based on our review of the record, we find that the agency evaluated BAE's price quotation consistent with this provision.

The record shows that the contract specialist evaluated price quotations by comparing a vendor's: (1) prices for each performance period to the other vendors' prices, to the average of all vendor prices, and to the agency's independent government cost estimate (IGCE); (2) proposed labor rates for each performance period, again, to the

other vendors' rates, to the average vendor rates, and to the IGCE; and (3) labor rate discounts (from their CIO-SP3 GWAC rates) to each other vendor. AR, Tab 27, Price Eval., at 1-14. The record also shows that the TET compared vendors' proposed LOEs and labor categories to the vendors' average number of hours and to the IGCE, by performance period and SOW task area. See id. at 3-6; AR, Tab 16, Initial LOE Assessment; Tab 26, Final LOE Assessment. Moreover, the TET specifically reviewed any alternate LOE and labor mixes proposed by performance period and SOW task area. See id. Based on this analysis, DHS concluded that the vendors' (including BAE's) labor rates and total evaluated prices were fair and reasonable, and that their proposed labor mixes and LOEs were appropriate for the task order. We find these assessments and conclusions reasonable and unobjectionable, and we deny PWC's protest of the agency's price evaluation accordingly.

Best-Value Tradeoff

Finally, PWC challenges the agency's source selection decision, alleging that the best-value tradeoff performed by SSA was unreasonable insofar as it relied on the allegedly flawed evaluations above. PWC Comments at 46-48.

Where, as here, a procurement provides for issuance of a task order on the basis of a best-value tradeoff, it is the function of the SSA to perform a price/technical tradeoff, that is, to determine whether one quotation's technical superiority is worth its higher price. See Research & Dev. Sols., Inc., B-410581, B-410581.2, Jan. 14, 2015, 2015 CPD ¶ 38 at 11. An agency has broad discretion in making a tradeoff between price and non-price factors, and 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 stated evaluation criteria. See Portage, Inc., B-410702, B-410702.4, Jan. 26, 2015, 2015 CPD ¶ 66 at 19.

We find the SSA's best-value tradeoff and source selection decision unobjectionable. First, as described above, we find no merit to PWC's objections to the agency's evaluations; thus there is no basis to question the SSA's reliance upon those judgments in making her source selection decision. Next, the record shows that in conducting her tradeoff, the SSA comparatively assessed PWC's and BAE's quotations, including the strengths and weaknesses assessed under each evaluation factor. The SSA also compared the vendors' prices. Based on these considerations, the SSA concluded that PWC's technical quotation did not merit its higher price (more than \$15 million) over BAE's quotation, and that BAE therefore provided the better value to DHS. Notwithstanding PWC's disagreement, we find the SSA's conclusion reasonable.

The protest is denied.

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General Counsel