



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

DOCUMENT FOR PUBLIC RELEASE

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Matter of: Modern Technologies Corp.; Innovative Technologies Corp.; Information Systems & Networks Corp.; and Camber Corp.

File: B-278695; B-278695.2; B-278695.3; B-278695.4; B-278695.5; B-278695.6

Date: March 4, 1998

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DIGEST

1. Protesters' contentions that agency unreasonably evaluated awardees' and protesters' proposals are denied where the record shows the agency evaluation was reasonable and in accordance with stated evaluation criteria.
2. Protester's contention that its strong performance as the current incumbent should be reflected in the evaluation of its proposal, and that as the incumbent it should receive extra credit in its past performance evaluation is denied where the record shows that the agency appropriately evaluated the proposal based on the merits of the proposal itself, and reasonably gave the highest possible past performance rating--but not extra credit--to the protester and to other offerors who had strong past performance references, even though the other offerors had not served as the incumbent for these services.
3. Protester's argument that the agency is required to perform a cost analysis is denied where the agency is awarding a time-and-materials contract and reasonably

concludes that the fixed nature of the labor rates indicates the presence of adequate price competition.

4. Agency redetermination of its initial source selection decision in response to an offeror's questions raised after that offeror's debriefing, but prior to the filing of its protest, is entitled to review along with the other contemporaneous evaluation and selection documents. Protester's contention that such a redetermination should be given little weight by our Office and treated as a redetermination prepared in the heat of the adversarial protest is denied.

5. Protest alleging violation of internal agency policy is not for consideration by General Accounting Office as compliance with such policies is a matter for review by the agency. Our bid protest function focuses instead on whether the agency adhered to law and regulation by evaluating proposals in accordance with the evaluation scheme announced in the solicitation.

DECISION

Modern Technologies Corp. (MTC), Innovative Technologies Corp. (ITC), Information Systems & Networks Corp. (ISN), and Camber Corp. protest their failure to receive one of the five awards made by the Department of the Air Force pursuant to request for proposals (RFP) No. F33657-97-R-0014, issued to procure omnibus support services for the Aeronautical Systems Center at Wright-Patterson Air Force Base, Ohio. Instead, the Air Force made award to SEMCOR, Inc.; Dynamics Research Corp. (DRC); RJO Enterprises; H.J. Ford Associates, Inc.; and Innovative Logistics Techniques, Inc. (INNOLOG). Each of the four protesters claims that the agency's evaluation of proposals was flawed, and that its proposal should have been selected over the proposals of other offerors.

We deny the protests.

BACKGROUND

On July 8, 1997, the Air Force issued the RFP here to procure various categories of support services, including support for configuration/data management, engineering, acquisition security, acquisition management, administration, management of government furnished property, testing and evaluation, manufacturing, and litigation.¹ The RFP anticipated award of up to five indefinite delivery, indefinite quantity contracts with both time-and-materials (T&M) and cost reimbursable contract line item numbers (CLIN). The competition for these awards was limited

¹This RFP was issued electronically on the agency's Pre-Award Information Exchange System (PIXS) located at <http://www.pixs.wpafb.af.mil>. Other information relevant to this protest, as discussed below, was posted at this site prior to issuance of the RFP.

to small businesses, and up to two awards were reserved for small disadvantaged businesses participating in the Small Business Administration's 8(a) program. Awards under this RFP were for a period of 3 years, with a total combined value of all awards estimated at \$250 million. The RFP also advised that each contract would guarantee a minimum of \$25,000 in orders.

The RFP advised that awards would be made without discussions, if possible, to the offerors whose proposals presented the best value to the government. The RFP established that proposals would be evaluated in the following areas, in descending order of importance: management (oral proposal), technical (sample task), and cost. RFP § M.B.2.1. Within these areas, the RFP identified the following evaluation factors:

Management (Oral Proposal)

Factor M-1, Management Approach (includes key personnel)

Factor M-2, Subcontract Management

Factor M-3, Processes and Resources

Technical (Sample Task)

Factor T-1, Resources

Factor T-2, Approach

Cost

Factor C-1, Composite Rate (composite weighted hourly labor rate)

Factor C-2, Sample Task Total Cost

The evaluation factors within the management and technical areas were weighted equally with the other factors within their respective area; the factors within the cost area are listed in descending order of importance. RFP § M.B.3.1-3.3.

The RFP explained that each proposal would be assigned a color/adjectival rating under each of the evaluation factors. These ratings were blue, exceptional; green, acceptable; yellow, marginal; and red, unacceptable. In addition, the RFP anticipated an assessment of both proposal and performance risk as either high, moderate, or low. Proposal risk was to be assessed for each evaluation factor, and was to consider the risk associated with an offeror's proposed approach to accomplish the RFP's requirements. Performance risk was to be assessed only at the area level--i.e., management, technical, and cost--and was to consider the risk associated with the offeror's relevant present and past performance. RFP § M.B.2.2.

By the August 19 initial closing date, the Air Force received 16 proposals--9 from small businesses and 7 from small disadvantaged businesses. All of the proposals were evaluated by a source selection evaluation team (SSET), which prepared a Proposal Analysis Report and a briefing for the source selection authority (SSA). The results of the evaluation are set forth below in approximate order of evaluated

merit (offerors which are small disadvantaged businesses are marked with an asterisk; offerors which eventually received award are shown in bold; offerors which are protesters here are shown in italics; and offerors which did not receive award and have not protested are identified only by letter, such as "Offeror A"):

	M-1 RATING Color/ Risk	M-2 RATING Color/ Risk	M-3 RATING Color/ Risk	T-1 RATING Color/ Risk	T-2 RATING Color/ Risk	PROPOSED COST Composite Rate (hourly)
H.J. Ford*	green low	green low	green low	yellow low	green low	\$32.17 hr.
SEMCOR	green low	green low	green low	yellow moderate	green low	\$31.58 hr.
<i>MTC</i>	<i>green low</i>	<i>green low</i>	<i>green low</i>	<i>yellow moderate</i>	<i>yellow low</i>	<i>\$33.33 hr.</i>
RJO	green low	green low	green low	yellow moderate	yellow moderate	\$32.06 hr.
Offeror A*	green low	green low	green low	yellow moderate	yellow moderate	\$37.64 hr.
INNO- LOG*	green low	green low	green moderate	yellow moderate	yellow low	\$32.38 hr.
DRC	green low	green moderate	green low	yellow moderate	yellow moderate	\$29.84 hr.
Offeror B	green moderate	green low	green low	yellow moderate	yellow moderate	\$32.30 hr.
<i>Camber*</i>	<i>green moderate</i>	<i>green moderate</i>	<i>green low</i>	<i>yellow moderate</i>	<i>green low</i>	<i>\$32.68 hr.</i>
<i>ITC*</i>	<i>green moderate</i>	<i>green moderate</i>	<i>green low</i>	<i>yellow moderate</i>	<i>yellow moderate</i>	<i>\$40.13 hr.</i>
Offeror C*	green low	green low	green moderate	yellow high	yellow moderate	\$33.90 hr.
Offeror D	green low	green low	green low	yellow high	yellow high	\$31.14 hr.
Offeror E	green low	green low	green low	red high	green moderate	\$34.19 hr.
Offeror F	green low	green moderate	green low	yellow moderate	red high	\$36.88 hr.
<i>ISN</i>	<i>green low</i>	<i>green low</i>	<i>green moderate</i>	<i>red high</i>	<i>yellow moderate</i>	<i>\$37.38 hr.</i>

Offeror G*	red high	red high	red high	red high	red high	\$76.76 hr.
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In addition to the assessments above, all of the offerors--with the exception of Offerors F and G--received low performance risk ratings, as judged from past performance, under all three of the evaluation areas--management, technical, and cost. Since Offerors F and G were excluded from consideration for other reasons, performance risk, as a practical matter, was not used by the agency to discriminate between proposals.

In making his selection decisions, the SSA first decided to exclude from consideration for award any offeror with a red rating, or with high proposal risk. As can be seen on the table above, this decision removed ISN and Offerors C through G from further consideration. Since the RFP allowed, but did not require, up to two awards to small disadvantaged businesses, the SSA next concluded that the agency could appropriately make two such awards.

The SSA first selected H.J. Ford for one of the two awards earmarked for small disadvantaged businesses. As shown above, Ford's proposal received the highest merit ratings in the competition, and offered the lowest composite rate of all 8(a) competitors, and the fourth lowest rate overall. INNOLOG--the offeror with the second lowest composite rate for 8(a) offerors, and the fifth lowest overall--was selected after a cost/technical tradeoff wherein the SSA concluded that the slightly higher merit ratings for Offeror A's proposal were not worth its significantly higher composite hourly rates. SSA Decision on 8(a) Awards, Oct. 29, 1997.²

For the remaining three awards, the SSA performed a detailed comparison of the evaluation results for all the remaining offerors--i.e., those not excluded from further consideration because of red ratings or high risk, and those not already selected. After reviewing the relative strengths and weaknesses of each offeror, the SSA first selected SEMCOR, the remaining offeror with the highest-rated proposal (after the selection of H.J. Ford) and the second-lowest composite rate. The SSA then selected RJO and DRC over MTC after making a cost/technical tradeoff which concluded that MTC's slightly higher-rated, but higher composite rate proposal was not worth the additional cost. In addition, selection of DRC required a second

²As will be discussed below, the record shows that when the SSA selected H.J. Ford and INNOLOG for award, he was unaware that Camber had also participated in the procurement as an 8(a) offeror. When Camber brought its status to the agency's attention after not receiving an award, the SSA revisited his selection decision. In a document prepared prior to Camber's December 5 protest, the SSA compared Camber's proposal with the proposal of INNOLOG, and again selected INNOLOG. Addendum to Source Selection Decision on 8(a) Awards, Nov. 26, 1997.

cost/technical tradeoff between its proposal and the higher-rated, but significantly higher composite rate proposal submitted by Offeror A. SSA Decision on Small Business Awards, Oct. 29, 1997.

Accordingly, by notice dated November 7, the agency advised all unsuccessful offerors of its intent to make awards to H.J. Ford and INNOLOG, as 8(a) offerors, and SEMCOR, RJO, and DRC, as small businesses. These protests followed.

MTC'S PROTESTS

MTC challenges nearly every facet of the evaluation process that led to the selection of SEMCOR, RJO, and DRC for awards.³ MTC argues that its ratings under the management and technical areas, in every instance, should have been higher, while the awardees' corresponding ratings should have been lower. In addition, it argues that its performance risk rating should have been significantly better than the risk rating given the other offerors; that the cost review was significantly flawed; that the SSA's selection decision was misinformed; and that the agency misled it (and other offerors) about the level of risk that would be assessed for reciprocal teaming arrangements.

In considering a protest challenging an agency's evaluation of proposals, we will examine the record to determine whether the agency's judgment was reasonable and consistent with stated evaluation criteria and applicable statutes and regulations. ESCO, Inc., 66 Comp. Gen. 404, 410 (1987), 87-1 CPD ¶ 450 at 7. As part of our consideration of each of MTC's challenges, we have reviewed the pleadings, the evaluation materials, and the proposals, and conclude that the evaluation here was reasonable. While we will not discuss in detail each of the challenges raised by MTC, we will discuss below several of the recurring themes and major challenges raised by MTC in its initial and two supplemental protests.

A prevailing theme in MTC's protests is that the agency did not give MTC adequate credit for its successful incumbency under the predecessor contract. In essence, MTC argues that its incumbency--or the lack of incumbency of other offerors--should have affected every facet of the evaluation. For example, MTC argues that: (1) its rating under the management approach subfactor (M-1) should have been blue, not green, because MTC's current successful performance shows its management skill; (2) its ratings under the subcontract management subfactor (M-2) and processes and resources subfactor (M-3) should have been blue, not green, because MTC did not need as many subcontractors, given its 11 years of experience performing this contract; (3) its ratings under the technical (sample task) factors should have been green, not yellow, to reflect the fact that MTC is currently

³Since MTC is not eligible for one of the 8(a) awards, the awards to H.J. Ford and INNOLOG are not at issue in MTC's protest.

performing work similar to the proposal's sample task; (4) its rating of performance risk should have exceeded any other offeror's rating because it should receive extra credit for its incumbent experience; (5) the management ratings given RJO and others were too high because the agency leniently gave credit to those offerors for proposed personnel not yet hired, while MTC (due to its status as an incumbent), already has those personnel on board; and (6) the management ratings given RJO and others should have included greater risk because those offerors proposed greater reliance on subcontractors, while MTC already employs most of the personnel needed to perform these services.

In our view, MTC asks too much of its status as an incumbent contractor. Under the evaluation scheme here, an offeror's past performance was evaluated as performance risk. This assessment was different from the consideration of proposal risk, which considered the risk associated with an offeror's proposed approach. RFP § M.B.2.2(1)-(2). In its protest, MTC seeks credit for its past performance in both assessments--proposal risk and performance risk. In addition, MTC seeks extra credit in the assessment of performance risk based on the fact that it is the only offeror in this competition that has provided all of the services in this omnibus contract.

With respect to the assessments of proposal risk made for each evaluation factor, the appropriate point of departure for this assessment was the proposal, not the agency's experience with MTC, no matter how good it may have been. Chek F. Tan & Co., B-277163, Sept. 8, 1997, 97-2 CPD ¶ 66 at 5. In each of these instances, the evaluators made judgments based on MTC's proposal--or on the proposals of the other offerors--and assigned a risk to the approach. Similarly, in each of the assessments of proposal merit, the agency appears to have properly weighed the merit of the proposed approach, rather than considering MTC's experience--or another offeror's lack of experience--in evaluating the factor. Id. Nothing in MTC's contentions that all of these assessments should have been keyed to its past experience leads us to conclude that the evaluation was unreasonable.

With respect to the assessment of performance risk, the record here shows that MTC's past performance of this contract was considered relevant, and resulted in a low performance risk rating--the best rating available--but MTC did not receive extra credit for being the incumbent for these services. In our view, there was nothing unreasonable about the agency's conclusion that other offerors had relevant past experience, even if the experience was not in performing this very contract for the Air Force. Nor is there a requirement that an incumbent be given extra credit for its status as an incumbent. See Cubic Applications, Inc., B-274768 et al., Jan. 2, 1997, 97-1 CPD ¶ 98 at 6 (denying protester's contention that the agency could not justify giving protester and the awardee equally favorable past performance ratings given the protester's status as the successful incumbent). On the contrary, our review shows that the Air Force's evaluation of past performance was reasonable.

A second major theme in MTC's protests--and an issue also raised by Camber and ITC--is that the agency performed a flawed review of proposed costs. According to MTC, the agency was required to perform a detailed cost analysis of each offeror's proposed costs because the RFP here anticipated award of a cost reimbursement contract, and because offerors were required to submit cost and pricing data with their proposals. MTC claims the agency did not perform a detailed cost evaluation and, as a result, failed to properly assess cost risk for the awardees.

As a preliminary matter, MTC's contention that a detailed cost analysis was required here is based on a flawed understanding of the anticipated contract type, and an incorrect reading of the requirements of the RFP. First, the contracts to be awarded here are primarily T&M contracts, not cost reimbursement contracts. RFP § B, Summary. T&M contracts are fixed in price to the extent that offerors propose fully burdened (including profit) hourly labor rates for each major labor category for each of the 3 years of performance, RFP § J, Attachment 3 at 1, but reimbursable to the extent that varying numbers of hours will be required to perform each delivery order.⁴ Accordingly, there is no per se requirement for a cost analysis when an agency uses a T&M contract. Research Management Corp., 69 Comp. Gen. 368, 372 (1990), 90-1 CPD ¶ 352 at 5-6. Second, MTC's contention that cost and pricing data was required overlooks the RFP's express instruction that "[i]t is anticipated that pricing of this action will be based on adequate price competition: therefore, offerors are not required to submit cost or pricing data."⁵ RFP § L.E (setting forth the text of Air Force Material Command Federal Acquisition Regulation (FAR) Supplement clause 5352.215-9014).

Moreover, as we explained in Research Management Corp., *supra*, 69 Comp. Gen. at 371, 90-1 CPD ¶ 352 at 5, (and later in Hughes Missile Sys. Co., B-257627.2, Dec. 21, 1994, 94-2 CPD ¶ 256 at 14-15) the requirement to perform a cost analysis is derived from the Truth in Negotiations Act, 10 U.S.C. § 2306a (1994). The Act requires submission of cost data for all negotiated contracts in excess of \$500,000 except in certain circumstances. When such data is required under the Act, a contracting

⁴For the record, we recognize that there is one CLIN, CLIN 0004, which anticipates the payment of travel expenses and computer time on a cost reimbursable basis. This CLIN, however, covers incidental expenses and is not the predominant effort or expense for these contracts. RFP § B, Summary.

⁵MTC claims the submission of such data is required by sections L.III.3.4.1.1 and 3.4.2.3 of the RFP. These paragraphs, however, only provide instructions for submitting such data when it is otherwise required. In fact, to avoid any uncertainty the RFP also advises (later in the same section cited by the protester) that "[t]he instructions for preparation of the content of the Cost Volume shall not take precedence over requirements of the other clauses of the contract" RFP § L.III.3.4.2.7.

officer must perform a cost analysis. FAR § 15.805-1(b) (June 1997); Research Management Corp., supra; Hughes Missile Sys. Co., supra. However, the Act (and the FAR provisions implementing the Act) specifically exempt contracts awarded with "adequate price competition" from the data submission requirement. See 10 U.S.C. § 2306a(b)(1)(A); FAR § 15.804-1(a)(1)(i) (June 1997). Since multiple offerors proposed fixed labor rates in response to the RFP, this procurement falls squarely within the definition of a procurement for which an agency has received adequate price competition, and there was no requirement for the kind of analysis MTC claims. FAR § 15.804-1(b)(1) (June 1997); Hughes Missile Sys. Co., supra.

Although we conclude there is no requirement for a full-blown cost analysis here, contracting agencies should conduct a review of the proposals adequate to ensure that the proposed prices are reasonable and that the government will obtain the lowest overall cost. Research Management Corp., supra, 69 Comp. Gen. at 372, 90-1 CPD ¶ 352 at 5-6. Our review of the evaluations, and of the challenges raised by MTC, leads us to conclude that the analysis and review performed by the agency was, in fact, adequate to protect the government's interests, and reasonably applied. As an example, we discuss below MTC's claim that the agency did not properly evaluate RJO's proposed intent to absorb some of the costs associated with performing this contract. Specifically, RJO proposed [deleted].

The record shows that RJO's proposal fully disclosed its intended approach, and offered a detailed rationale in support of the approach. RJO Proposal, Vol. IV at 2, 10. The Air Force explains that it reviewed RJO's rationale for proposing reduced costs and found it convincing. In addition, the agency's price analysis shows that the hourly composite rates are well within the range of rates proposed by the other offerors. In short, we see nothing unreasonable about the decision to accept RJO's rates, or the decision not to assess additional risk against the proposal because of its cost containment measures.⁶ See Systems Eng'g & Management Co., B-275786, Mar. 26, 1997, 97-1 CPD ¶ 133 at 8 (protest alleging agency should have assessed greater risk against the awardee--RJO in this case as well--for its [deleted] was denied where the agency reasonably accepted the rationale in the proposal supporting the decision to propose [deleted]).

⁶We also reject MTC's contention that the agency could not reasonably select RJO for award, given RJO's higher evaluated cost for its sample task. The record shows that while RJO's composite labor rate was lower than MTC's, MTC had a lower evaluated cost for its sample task. The Air Force points out that the RFP advised that an offeror's composite labor rate would be more important than its evaluated cost for the sample task. In addition, despite MTC's claim that the Air Force did not consider sample task costs, the evaluation record shows that such costs were reviewed and presented to the SSA. Accordingly, we conclude that the selection of RJO for award was reasonable, even though RJO's sample task costs were higher than MTC's.

One final issue raised by MTC--and also by Camber and ITC--is that the agency improperly evaluated a reciprocal teaming arrangement proposed by H.J. Ford and SEMCOR.

As explained above, information regarding this procurement, including the RFP, was issued electronically using the agency's Pre-Award Information Exchange System site on the Internet. After initially posting a notice warning potential offerors to avoid reciprocal and/or multiple teaming arrangements in which more than one team member was also an offeror, the agency posted an April 15 notice designed to clarify the earlier notice. The April 15 notice advised that there would be no restriction on teaming, but that teaming would be evaluated with an eye towards ensuring that the proposed effort is supported by sufficient resources. The notice also included the following example of how such arrangements would be evaluated:

A proposal based on an Exclusive Teaming Arrangement in which the Prime and Sub-Contractors are exclusive to one another and can clearly show that they have all the resources needed, both by the total number of employees and by functional type of employees, is at the LOW end of the risk continuum. On the HIGH end of the risk continuum are proposals with Non-Exclusive Teaming Arrangements that share a subcontractor who clearly only has resources, either in total number of people or functional type of people, to support one teaming arrangement; but is teaming with five Primes [both 8(a) and Small Business Primes]. All proposals with this type of subcontract arrangement would be rated high risk.

In addition, the RFP at section M.B.2.2(1) advised that the assessment of proposal risk would include a judgment about "the offeror's ability to support the proposed effort with the resources proposed to meet the effort, to include multiple teaming arrangements."

When the agency reviewed the initial proposals, it became clear that H.J. Ford and SEMCOR had proposed each other as subcontractors, and that both relied on the same two other subcontractors. The Air Force explains that it reviewed the number of employees available to both offerors, both in total and in functional type, and concluded that both H.J. Ford and SEMCOR had the necessary resources to perform the contracts. As a result, both were given a rating of low proposal risk under each of the management evaluation factors. MTC, Camber, and ITC argue that this rating was unreasonable and inconsistent with the prior instructions given by the agency. We disagree.

First, despite arguments to the contrary by MTC, the April 15 notice expressly advised that there would be no restriction on teaming arrangements. While we agree with the protesters that the teaming arrangement of these two awardees raises questions about their ability to perform if both are selected for award, the

record shows that the agency considered the independent capabilities of both H.J. Ford and SEMCOR and concluded that both possessed substantial capacity to meet the government's requirements. In fact, a close review of the April 15 notice shows that the agency reviewed precisely the attributes it said it would review if faced with this kind of proposal. Specifically, the Air Force looked at the number and type of employees available to the offeror, as well as other available information, before concluding that the proposals presented low proposal risk. In short, this is a matter the agency clearly considered, and our review of the record, and of the protesters' contentions, does not lead us to conclude that the agency's assessment was unreasonable or inconsistent with the RFP.

CAMBER'S PROTEST

Camber's protest challenges the evaluation in three general areas. First, Camber argues, with MTC and ITC, that the agency miscalculated the teaming arrangements of H.J. Ford and SEMCOR, after warning potential offerors that such arrangements would be assessed as high risk. Second, Camber argues that the SSA overlooked its status as an 8(a) contractor, and thus deprived it of award. Third, Camber mounts various challenges to the agency's selection of color ratings and/or assessments of proposal risk for its own proposal, and for each of the awardees' proposals. We will not address here all of Camber's arguments, but will address the issue of Camber's status as an 8(a) contractor, and two representative samples of Camber's challenges to the specific evaluation judgments. (Camber's challenge to the evaluation of H.J. Ford's and SEMCOR's teaming arrangement has already been addressed in our discussion of MTC's allegations.)

With respect to Camber's status as an 8(a) contractor, there is no disagreement among the parties that Camber's status was reflected in its proposal, yet--for reasons not relevant here--was overlooked when the SSA selected 8(a) awardees. As explained above, when the SSA began his selection process, he first eliminated from further consideration any offeror with a red rating, or with high proposal risk. After selecting H.J. Ford for award (based on its proposal's high merit ratings and the lowest composite rate of all 8(a) offerors), the SSA next selected INNOLOG. The SSA's selection of INNOLOG was based on the conclusion that Offeror A's slightly higher-rated proposal was not worth its significantly higher composite hourly labor rate. SSA Decision on 8(a) Awards, Oct. 29, 1997. In the second selection decision, wherein the SSA selected the three remaining (non-8(a)) awardees, Camber simply did not make the cut. SSA Decision on Small Business Awards, Oct. 29, 1997.

When Camber learned of the selection decisions, and pointed out that it had participated in this procurement as an 8(a) offeror, the SSA acknowledged his error, and revisited his selection decision. As explained above, the SSA compared Camber's proposal with the proposal of INNOLOG, and again selected INNOLOG. Addendum to Source Selection Decision on 8(a) Awards, Nov. 26, 1997. Camber

filed its protest 9 days later on December 5, arguing that it was prejudiced by the SSA's failure to include its proposal with those of the other 8(a) offerors in making his selection decision. We disagree.

Despite Camber's arguments to the contrary, the SSA's addendum to his initial selection decision offers a detailed analysis of the relative standings of Camber and INNOLOG. At the end of this analysis, the SSA concludes that INNOLOG's slightly lower composite rate in the cost area is a basis for discriminating between the two proposals.

There is nothing unreasonable about the SSA's revised selection decision. To illustrate, we set forth below the evaluation results--taken from the table earlier in the decision--for the four highest rated 8(a) offerors--H.J. Ford, Offeror A, INNOLOG, and Camber (as before, the awardees are shown in bold):

	M-1 RATING Color/ Risk	M-2 RATING Color/ Risk	M-3 RATING Color/ Risk	T-1 RATING Color/ Risk	T-2 RATING Color/ Risk	PROPOSED COST Composite Rate (hourly)
H.J. Ford	green low	green low	green low	yellow low	green low	\$32.17 hr.
Offeror A	green low	green low	green low	yellow moderate	yellow moderate	\$37.64 hr.
INNO- LOG	green low	green low	green moderate	yellow moderate	yellow low	\$32.38 hr.
Camber	green moderate	green moderate	green low	yellow moderate	green low	\$32.68 hr.

While Camber and INNOLOG are close in their evaluations, the table shows that Camber had a higher risk rating than INNOLOG under two of the three management evaluation factors, while INNOLOG had a higher risk rating under one of three management factors. Even though Camber had a higher rating under one of the technical evaluation factors, we note that the management area was more important than the technical area, so that the SSA could reasonably find that this slight advantage under technical did not offset INNOLOG's advantage under management. Finally, as the SSA pointed out, INNOLOG had a lower composite labor rate. Thus, the revised selection decision is based on a reasonable judgment about the relative merits of these proposals. Under these circumstances, we conclude that Camber was not prejudiced by the agency's oversight of its disadvantaged status at the time

the initial selection decision was made.⁷ McDonald-Bradley, B-270126, Feb. 8, 1996, 96-1 CPD ¶ 54 at 3; see Statistica, Inc. v. Christopher, 102 F.3d 1577, 1581 (Fed. Cir. 1996) (our Office will not sustain a protest unless the protester demonstrates that, but for the agency's actions, it would have a substantial chance of receiving the award).

With respect to the evaluation, Camber, like MTC, mounts a challenge to the evaluation assessments that provided a basis for distinguishing between it and the awardees. Set forth below are two examples of Camber's challenges.

Camber argues that its rating under the M-1 evaluation factor--management approach--should have been green with low risk, rather than moderate risk. According to Camber, the Air Force unreasonably assessed moderate risk under this factor for two reasons: (1) because it wrongly concluded that Camber's proposal was not clear on when a task leader was selected--i.e., before or after the award of a task order; and (2) because the proposal identified more than one person who appeared to have authority for contract actions. In both instances, our review shows nothing unreasonable about the Air Force's conclusions.

On the first issue, despite its arguments, Camber admits that its oral presentation charts--the highlights of the management proposal were presented during the oral presentation--contained an error. The error was that the charts expressly stated that the team leader was selected upon award of the task order. Camber Proposal, Vol. IV, Charts 87 and 88. The record shows that Air Force evaluators preferred that an offeror's team leader be identified prior to the issuance of an order, and assessed a weakness against the proposal under the M-1 evaluation factor. Proposal Analysis Report at 13.

Although Camber argues, and the Air Force concedes, that the Camber presenter orally stated that the word "select" should be "confirm" when showing chart 87, we fail to see how the agency's conclusion that the proposal was unclear about when a team leader would be selected was unreasonable. The chart itself, and either word --"select" or "confirm"--leaves room for a reasonable conclusion that the agency could award an order, and then learn the identify of the awardee's team leader.

⁷We also disagree with Camber's assertion that the SSA's reconsideration of his selection decision should be given no weight because it is a "redetermination prepared in the heat of an adversarial process," as we stated in our decision in Boeing Sikorsky Aircraft Support, B-277263.2, B-277263.3, Sept. 29, 1997, 97-2 CPD ¶ 91 at 15. Unlike in Boeing, the agency here admitted its error, and did so before the protest process was initiated. Given these facts, and the fact that the redetermination appears reasonable and consistent with the evaluation criteria, we have no basis to reject the SSA's conclusion that he still would have selected INNOLOG, rather than Camber, for award here.

Since this was a situation the agency hoped to avoid, we conclude the moderate risk assessment was reasonable.

On the second issue, Camber again is forced to admit that its proposal does identify more than one individual responsible for contract authority. Although Camber argues in great detail that the proposal was clear, and in some ways similar on this front to one of the proposals selected for award, our review does not support Camber's contentions--i.e., Camber's proposal is not as clear as it claims, and the selected proposal is neither as similar to Camber's as urged, nor as vague. Simply put, Camber has failed to show that the agency's assessments of risk and merit were unreasonable, or inconsistent with the evaluation criteria.

ITC'S AND ISN'S PROTESTS

ITC argues that it was unreasonable for the agency to fail to convene discussions to give offerors an opportunity to improve their proposals. In addition, ITC joins MTC and Camber in challenging the agency's assessment of the teaming arrangements of H.J. Ford and SEMCOR as low risk, and in arguing that the agency should have performed a cost analysis, and should have rejected any proposal that did not include cost and pricing data.

We have previously addressed ITC's challenge regarding the teaming arrangements of H.J. Ford and SEMCOR, and its contention that the agency was required to perform a cost analysis. As part of the cost analysis discussion, we explained that the RFP contained a clause expressly advising offerors that cost and pricing data was not required here. RFP § L.E. Accordingly, the Air Force could not reject proposals that did not include this information, as ITC urges.

With respect to whether the Air Force was required to hold discussions here, we conclude it was not. The RFP advised potential offerors that the agency reserved the right to make award without discussions or negotiations. RFP § M.B.2.0(5). While we review the exercise of an agency's discretion not to convene discussions to ensure that it was reasonably based on the particular circumstances of the procurement, including consideration of the proposals received and the basis for the selection decision, this discretion is quite broad. International Data Prods., Corp.; I-NET, Inc.; and Dunn Computer Corp., B-274654 et al., Dec. 26, 1996, 97-1 CPD ¶ 34 at 16. Here, where the record shows receipt of 16 proposals, the majority of which offered substantial merit, as evaluated, at competitive prices, we see nothing unreasonable about the agency's decision to continue with its stated intent of awarding without discussions. Id. at 16-17.

ISN argues that the evaluation assessments made of its proposal violate general acquisition streamlining initiatives. It also argues that the evaluators were unreasonable in downgrading its proposal for not including resumes of individuals

with engineering experience since, in its view, engineers are not required to perform the services procured here.

ISN's protest explains that recent acquisition initiatives have sought to reduce the government's role in weapons systems acquisitions, and that its proposal was consistent with this reduced oversight role. ISN Protest, Nov. 25, 1997, at 6. Thus, ISN argues that it was unfairly evaluated for providing less effort than the Air Force evaluators thought necessary. In our view, even if we accept that ISN's arguments correctly reflect current Air Force management views, internal agency guidance on general matters such as these does not establish legal rights and responsibilities such as to make actions taken contrary to those statements illegal. Reflectone Training Sys., Inc.; Hernandez Eng'g, Inc., B-261224, B-261224.2, Aug. 30, 1995, 95-2 CPD ¶ 95 at 6. The alleged failure to comply with initiatives like the ones raised by the protester is a matter for consideration by the agency. Talon Mfg. Co., Inc., B-261687, B-261687.2, Oct. 19, 1995, 95-2 CPD ¶ 184 at 3. For our purposes, the relevant inquiry is whether the agency adhered to law and regulation by evaluating proposals in accordance with the evaluation scheme announced in the RFP. Reflectone Training Sys., Inc.; Hernandez Eng'g, Inc., *supra*.

Finally, with respect to ISN's complaint that the agency unreasonably downgraded its proposal for not including resumes for engineers, we think its contention is untimely. The RFP set forth extensive educational requirements for offerors to use in collecting resumes for their proposals, and many of the positions identified in the RFP required engineering backgrounds. RFP § J, Attach. 2. If ISN believed these requirements overstated the need for engineers, it was required to challenge the terms of the solicitation prior to the time set for receipt of initial proposals. 4 C.F.R. § 21.2(a)(1) (1997).

The protests are denied.

Comptroller General
of the United States