



Decision

Matter of: The Boeing Company

File: B-259255.5

Date: May 15, 1995

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DIGEST

1. Under past performance (risk) evaluation where relevancy and performance within the past 5 years are identified as criteria, agency reasonably eliminated production contracts from consideration since solicitation is primarily for research and development of weapons system with relatively few items of hardware to be delivered.

2. In performance risk evaluation where cost, technical, and schedule elements are considered of equal weight, but the evaluation criteria also provides that a significant problem in any element could become an important consideration, agency reasonably determined that the

*The decision issued on May 15, 1995 contained proprietary information and was subject to a General Accounting Office protective order. This version of the decision has been redacted. Deletions in text are indicated by "[deleted]."

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unanimous assessment of knowledgeable contracting personnel that protester's [deleted] performance was [deleted] warranted an overall rating of [deleted] performance.

3. Agency technical and management area evaluations followed stated evaluation criteria, were reasonably based on information contained in protester's proposal, and were consistent among different evaluation factors.

4. Agency met its responsibility to conduct meaningful discussions by identifying areas of concern including aspects of [deleted] through discussion questions which reasonably led protester into areas of concern, and to the extent that there may have been any discussion shortcomings, the protester was not prejudiced.

5. Evaluation record supports agency's determination to provide protester technical, but not direct dollar-for-dollar cost credit for [deleted] since proposal provided limited information in support of claimed savings and failed to establish direct cost value of [deleted].

6. Where solicitation clearly required direct correlation between technical and cost information, in calculation of most probable cost, agency reasonably resorted to use of proration formula to resolve inconsistencies between protester's proposed technical and cost hours, since protester's [deleted] submitted in response to repeated discussion questions and amendment of solicitation was excessively complicated and incomplete.

7. Protester was not prejudiced by agency's mistakes and lack of narrative explanations for all labor hour adjustments in calculating most probable cost (MPC) where source selection authority reasonably determined that award selectee's technical and performance risk superiority was worth more than the value of all alleged and admitted mistakes in calculating the MPCs.

DECISION

The Boeing Company protests the proposed award of a contract to the ~~Raytheon~~ Raytheon Company under request for proposals (RFP) No. DAAH01-94-R-0005, issued by the Department of the Army, for the Enhanced Fiber Optic Guided Missile (EFOG-M) Demonstration Program.¹ Boeing contends that ~~the agency's~~ the agency's technical, management, and cost evaluations were flawed and

¹Hughes Missile Systems Company and Westinghouse Electronic Missile-Systems Company (WELSCO) have also filed protests against the proposed award. These protests are addressed in separate decisions.

that the agency failed to conduct meaningful discussions with Boeing.

We deny the protest.

BACKGROUND

The EFOG-M system concept was developed by the Army to acquire a weapon system capable of destroying stationary and moving targets, beyond or obscured from the line of sight of a concealed gunner (soldier operator), with pin-point accuracy at a range of up to 15 kilometers. The weapon system consists of missiles, each equipped with a seeker to register images of the battlefield, which are fired from a vehicle-mounted launcher. The missile seeker transmits the battlefield images via a fiber optic cable which spools out from the missile and is connected to the launch vehicle. A gunner inside the vehicle monitors the missile's flight and selects an appropriate target.

Prior to issuing this RFP, in December 1988, the Army had awarded a full scale development contract to Boeing, with Hughes Missile Systems Company as the team member responsible for missile development. Because of significant cost growth and schedule slippage, this contract was terminated in January 1991. In preparation for a subsequent engineering and manufacturing development (EMD) solicitation, the Army awarded pre-demonstration/validation analysis contracts to Boeing, Raytheon, WELSCO, and Hughes in September 1992. In December 1993, the Department of Defense (DOD) selected the EFOG-M as one of several weapon system components to be demonstrated in the Rapid Force Projection Initiative (RFPI)/EFOG-M Advanced Concept Technology Demonstration (ACTD).² When the Army issued the current RFP on March 29, 1994, it advised offerors that the solicitation was for the EFOG-M demonstration program and not for an EMD program.

The EFOG-M program was divided into two phases, with Phase I emphasizing the EFOG-M concept via simulation and culminating in a "virtual prototype demonstration" scheduled to be completed 1 year from contract award. The simulation hardware/software consisted of one stationary simulator each

²ACTDs are programs designed to evaluate the utility and affordability of new technology in a realistic military environment. Prototype equipment using new, but relatively mature, technology is given to an active military unit in one or more services and evaluated by them during operation-level exercises. Evaluation of the technology is completed before deciding whether to acquire it through large scale production.

at two Army installations, one fire unit (FU) mobile simulator, one FU load of missile simulators, and one surrogate missile. Phase I was to include preliminary design work on the EFOG-M hardware and software to support a design review (DR I) 9 months after contract award.

Phase II included a 42-month option, to be exercised at DR I, for an EFOG-M design maturity and demonstration effort, and various other options for engineering support, additional hardware, and extended user evaluation support. Phase II also would provide hardware and software to support the RFPI/EFOG-M ACTD, scheduled for the third quarter of fiscal year 1997 and another integrated demonstration in fiscal year 1998. As part of Phase II, the contractor was to deliver eight FUs, 2 platoon leader vehicles (PLV), 10 missiles, and an upgraded surrogate missile prior to the 1997 demonstration. An integrated product and process development (IPPD) team (government/contractor) approach was to be employed with an emphasis on using the best commercial practices for design and manufacturing, to ensure that future fielding to a tactical unit would be affordable.

The RFP contemplated award of a cost-plus-incentive-fee (CPIF) contract to a single contractor. The RFP included four separate statements of work (SOW) covering the different efforts required for both phases and all options. Each offeror was to submit a technical proposal addressing each SOW requirement and design rationale of the proposed approach.

Award was to be made to the offeror whose proposal represented the best value to the government based on four evaluation criteria: technical, management, cost, and performance risk. Technical was considered of significantly greater weight than the other areas individually and equal to their combined weights. Management and cost were considered of equal weight, with cost being somewhat more important than performance risk.

The technical area was to be evaluated on the basis of five elements including proposed concept, affordability, and test and evaluation. The management area was to be evaluated on the basis of four elements including IPPD and contractor integrated technical information service (CITIS). Cost was to be evaluated on the basis of most probable cost (MPC), the government's estimate of the realistic cost of implementing the proposed approach including consideration of schedule risk attendant to the proposal. The performance risk evaluation was to be based on the offeror's current and past record of performance and experience as it related to the probability of successful accomplishment of the required effort. Technical and management evaluations were expressed in the adjectival ratings, "excellent," "very good," "good,"

"satisfactory," "marginal," and "unacceptable." Performance risk was expressed in the ratings, "superior," "good," "fair," and "unacceptable." Risk ratings were expressed, from most to least desirable, as "low," "moderate," and "high." Offerors were warned that unsupported promises to comply with the contractual requirements would not be sufficient. Proposals had to provide convincing documentary evidence to support any conclusionary statements related to promised performance.

Four offerors, Boeing, Raytheon, Hughes, and WELSCO, submitted proposals by the June 1, 1994, closing time. Members of the source selection evaluation board (SSEB) and performance risk assessment group (PRAG) conducted the initial evaluations of each proposal and its revisions and issued various discussion questions to the offerors. Prior to the commencement of oral discussions in August, the SSEB/PRAG sent the offerors additional written questions and comments identified as items for negotiation. Oral discussions were conducted between August 8 and 12. The SSEB/PRAG reported their evaluation findings to the source selection advisory council (SSAC) at three in-process reviews (June 30, August 4, and September 12).³

All four offerors submitted best and final offers (BAFO) on August 24. Discussions were subsequently reopened, at the direction of the source selection authority (SSA), to address the offerors' degree of emphasis on IPPD. The offerors then submitted their second BAFOs on September 21. These BAFOs did not change the offerors' respective ratings. The final evaluation results for the offerors were as follows:

Offeror	Technical	Management	MPC	Risk
Raytheon	Very Good	Satisfactory	\$176 M	Low
WELSCO	Good	Good	\$231 M	Low
Hughes	Good	Satisfactory	\$187 M	Moderate
Boeing	Good	Satisfactory	\$174 M	High

In making his source selection, the SSA was briefed by the SSEB and he reviewed the relative standing, including the evaluated advantages, disadvantages, and MPCs, of all offerors' proposals. The SSA determined that Raytheon's superior technical rating and second lowest MPC represented

³The SSAC is a senior-level advisory group which provided guidance and advice to the SSEB.

the best value to the government. Accordingly, he selected Raytheon for the award.

Prior to making the source selection, the Army notified all offerors that selection would be delayed pending finalization of the DOD Secretary's Program Decision Memorandum II which could have an impact on several Army programs in fiscal year 1996. Subsequently, the Army decided to make the source selection, but delay contract award pending a DOD review of the Army's fiscal year 1996 budget. The offerors were then notified of Raytheon's selection. After receiving this notice and a debriefing, Boeing filed a protest alleging flaws in the technical, management, and performance risk evaluations and a failure to conduct meaningful discussions with the protester.⁴ After reviewing the agency report, Boeing filed a supplemental protest alleging that the cost evaluation was flawed.⁵

PERFORMANCE RISK ASSESSMENT

With regard to performance risk, offerors were required to submit a description of their government contracts, similar to the effort called for under the RFP, received or performed during the past 5 years. In making the performance risk evaluation, the PRAG focused its inquiry on each offeror's and subcontractor's record of past performance and experience as it related to all solicitation requirements, including cost, schedule, and technical.

⁴Boeing also objected to the decision to select Raytheon in the absence of adequate funding. Boeing speculates that any significant change in funding could impact the agency's requirements. The Army explains that notwithstanding the need for a fiscal year 1996 budget review prior to awarding the contract, it has sufficient funds "in hand" to incrementally fund the required effort and that sufficient funds have been budgeted, programmed, or planned since the RFP was issued. Since the review has not been completed and the requirements have not been changed, we find that protest on this ground is speculative and premature. Accordingly, there is no basis for us to consider the allegation at this time. See General Elec. Canada, Inc., B-230584, June 1, 1988, 88-1 CPD ¶ 512.

⁵Boeing has raised numerous issues concerning various aspects of the evaluations and discussions in pleadings numbering more than 250 pages plus attachments. We have reviewed all the arguments and have concluded that they either are without merit or had no prejudicial effect on the protester. Because of the large number of issues, this decision will only address a representative number of them.

performance, which the RFP stated would be considered equal. The RFP also stated that a "significant achievement or problem in any element of work can become an important consideration in the evaluation process." The information used by the PRAG included data from the offerors' proposals and data obtained from other sources such as government files or government personnel familiar with the contractors' performance under government contracts for similar services.

In conducting its review, the PRAG identified the most recent and relevant contracts. The source selection plan (SSP) provided that relevancy was to be judged on the basis of similarity to EFOG-M, cost-type contracts, and research and development (R&D) programs of high-dollar value. The PRAG first reviewed contracts identified by the offerors, then those identified through government sources. This review resulted in a smaller number of contracts for which the PRAG would solicit the comments of knowledgeable contracting personnel. The PRAG then conducted interviews of those personnel, and used this information both to further narrow the number of contracts to the most relevant and to rate each contract.

In selecting contracts as relevant, the PRAG considered 146 of 357 known or listed Boeing contracts and 72 of 172 Raytheon contracts as relevant. Of these, the PRAG finally determined that four Boeing contracts and five Raytheon contracts were most relevant.⁶ The PRAG rated Boeing's performance as [deleted] on two of these contracts and as [deleted] on the other two. Raytheon's performance was rated "superior" on two contracts, "good" on two contracts, and "fair" on the fifth contract. Based on these ratings, along with ratings of subcontractor performance, the PRAG assessed Boeing's performance risk as high and Raytheon's risk as low. Boeing argues that this evaluation was flawed.

Although the relative merit of competing proposals is primarily a matter of administrative discretion, where the evaluation of proposals is challenged, we will examine the evaluation to ensure that it was reasonable and consistent with the evaluation criteria and applicable statutes and regulations. Information Sys. & Networks Corp., 69 Comp. Gen. 284 (1990), 90-1 CPD ¶ 203. Based on our review of the RFP, the evaluations, and the briefing records, we find that the evaluation was reasonable and consistent with the evaluation criteria.

⁶The PRAG also considered subcontractor contract performance in the performance risk evaluation. Boeing has not challenged those ratings.

The protester first challenges the agency's choice of contracts for itself and Raytheon on the basis of the PRAG's alleged failure to follow the "standards" set forth in the SSP. Boeing maintains that not all of the contracts selected for evaluation are the most similar technically, most recently performed, or are high-dollar cost, R&D contracts. Alleged deficiencies in an agency's application of its SSP do not by themselves provide a basis for questioning the validity of the award selection. Source selection plans are internal agency instructions and as such do not give outside parties any rights. Antenna Prods. Corp., B-236933, Jan. 22, 1990, 90-1 CPD ¶ 82. It is the evaluation scheme in the RFP, not internal documents, to which the agency is required to adhere in evaluating proposals and making the source selection. Pan Am World Servs., Inc., B-235976, Sept. 28, 1989, 89-2 CPD ¶ 283. Here, our review of the contracts selected by the PRAG discloses that all meet the RFP criteria in that all were performed within the 5 years prior to the RFP and all were similar in various aspects to the EFOG-M effort.

For example, with regard to Boeing, the PRAG selected two contracts identified by Boeing itself as being relevant, the [deleted]. Another selection, the [deleted], though a fixed-price contract, was a high-dollar R&D effort, and was technically similar in the areas of [deleted]. Although Boeing observes a number of technical differences between the [deleted] and the EFOG-M effort, and that it was neither a cost contract nor particularly recent, the contract still meets the RFP criteria for similarity and performance within the past 5 years. Further, while Boeing maintains that the technical differences outweigh the similarities, its simple disagreement with the agency's evaluation does not demonstrate that the choice of this contract was unreasonable. See Litton Sys., Inc., B-237596.3, Aug. 8, 1990, 90-2 CPD ¶ 115.⁷

With regard to Raytheon, Boeing argues that the contracts selected by the PRAG are of lower dollar values, are not technically similar, and generally indicate that it is Raytheon's subcontractors who possess the greater EFOG-M relevant experience. Our review of the selected contracts

⁷Boeing also suggests alternative contracts which it believes are more relevant to the effort. For example, it argues that the [deleted] contract satisfies all criteria for "relevance and recency" including such technical matters as [deleted] and is a high-dollar, R&D program. Since the [deleted] concerns [deleted] development, and is being performed by a different division at Boeing [deleted], the agency reasonably considered that this contract was not appropriate for the performance risk evaluation.

provide no basis for concluding that the PRAG's selections were unreasonable. For example, Raytheon's Tacit Rainbow contract was selected by the PRAG because it concerned a low cost, programmable, loitering missile, which is ground launched, and uses seeker guidance. While the contract was fixed-price, the agency explains that it was an incentive contract which paid costs in the same manner as a cost contract until a ceiling was reached. Even though \$55.9 million value is not as great as that involved with the EFOG-M, it is sufficiently high to provide an indication of Raytheon's ability to perform high-dollar contracts. Since the contract concerns relevant technology and was performed within the last 5 years, it meets the stated RFP criteria. While Raytheon's own experience with EFOG-M technology is limited to the pre-demonstration/validation analysis contract it received in 1992, nothing in the RFP prohibits a contractor from using team members to furnish additional needed expertise to accomplish the SOW requirements. In short, the agency's selection of the most relevant contracts for performance risk assessment purposes was unobjectionable.

Boeing also challenges the PRAG's method of assessing overall contract performance. Boeing contends that the questionnaires completed by government sources contained sufficient [deleted] ratings on its individual contract performance to mitigate the [deleted] ratings it also received. For example, contracting personnel who responded to the PRAG's questionnaire on the [deleted] contract rated Boeing's performance with [deleted] in 7 areas including cost/financial management, schedule, and technical performance. We find nothing objectionable in the agency's methods.

The PRAG analyzed the questionnaire responses and did not simply total the different ratings to arrive at its performance rating for each contract. For the [deleted] contract, the PRAG found that all three respondents rated Boeing [deleted] with regard to [deleted]. While Boeing stresses that its [deleted] ratings are primarily in the [deleted] area, we note that the RFP advised offerors that a significant problem in any element could become an important consideration. In view of Boeing's [deleted], the PRAG reasonably assessed Boeing's performance as [deleted]. In this regard, we note that in discussions, Boeing was provided an opportunity to respond to the agency's [deleted] evaluation of Boeing's performance on this and the [deleted] contract. In response, Boeing acknowledged that its performance was [deleted] and attempted to convince the agency that [deleted]. Accordingly, we see no basis to question the agency's evaluation of Boeing's performance on these contracts.

In a related argument, Boeing contends that the agency's evaluation of it as high risk is directly attributable to the agency's improper elimination of two contracts originally considered in the evaluation. In the original risk evaluation, the PRAG considered two additional contracts, each rated as [deleted]. When these contracts were included, the PRAG assessed Boeing's performance risk as [deleted]. Subsequently, the PRAG determined to eliminate production contracts and thus, did not consider these two contracts for Boeing and one contract for Raytheon. With these contracts eliminated, Boeing's assessment was changed to "high" risk.

Boeing argues that these production contracts are more relevant than others selected because they concern [deleted]. While acknowledging technical similarities, the agency contends that on the basis of technical content, R&D, high-dollar value and cost-type contract considerations, it was reasonable to exclude both contracts because they are high-rate production, fixed-price contracts. We agree. The RFP criteria call for consideration of relevant effort contracts. As observed by the agency, the EFOG-M effort is primarily a simulation and R&D-type contract, which these [deleted] contracts are not. While some hardware will be delivered, it is not a production contract like the [deleted] efforts. Further, the [deleted] contracts may be technically similar, but they are dissimilar from the standpoint of contract type. In essence, Boeing simply disagrees with the PRAG's judgment as to which contracts are most relevant; this is insufficient to establish that the agency's judgment was unreasonable. See Litton Sys., Inc., supra.⁸

THE TECHNICAL EVALUATION

Boeing protests a number of aspects of the agency's evaluation of its technical proposal. From our review of the record, including arguments of the parties, proposals, and evaluations, we find that the evaluations were reasonable and consistent with the stated criteria and

⁸Boeing also contends that the SSA overemphasized its performance risk rating in his selection decision. The source selection decision covers all aspects of the evaluation and mentions performance risk primarily in the section dealing with all offerors' risk. Although the SSA described Boeing's performance risk in more detail than the other offerors', this appears attributable to Boeing's proposal having received the [deleted] for this criterion. The risk rating was considered by the SSA, but we find no evidence that the SSA inappropriately focused on this aspect of the evaluation.

violated no applicable law or had no prejudicial impact on the technical area rating. See Information Sys. & Networks Corp., supra.

Boeing challenges the consistency of the agency's evaluation of its [deleted] under the proposed concept and affordability elements. Noting that the RFP states that the EFOG-M shall provide the [deleted], Boeing alleges that it received inconsistent evaluations regarding the [deleted]. In our view, the evaluators' various assessments were all reasonable and consistent.

[Deleted.]

[Deleted.]

Boeing also challenges the agency's evaluation of its decision to modify [deleted] from its initial proposal. [Deleted.] To the evaluators, these [deleted] changes involved risk to the successful fielding of the system in the required time frame.⁹

[Deleted.]

We find nothing improper or unreasonable in the agency's evaluation of the risk associated with Boeing's modified [deleted]. The RFP clearly advised offerors that "proposal risk is integral to each evaluation element and factor within the Technical, Management, and Cost Areas." Further, while the RFP invited [deleted], offerors were reasonably expected to balance the risks of [deleted]. In any event, the disadvantage associated with [deleted] appears to have had little impact on the evaluation score since it was noted under the [deleted] factor on which the protester received a rating of "very good."

THE MANAGEMENT EVALUATION

The CITIS is a centralized repository of project data concerning the offeror's EFOG-M approach. The CITIS element in the management area was evaluated on the basis of the thoroughness, completeness, and adequacy of the offeror's plan for implementation of its proposed CITIS. The quality of proposed service in terms of interfaces, training, accuracy, response time, and ability to furnish data on a

⁹Boeing also protests the addition of an unstated "fielding" requirement not disclosed in the RFP. The agency explains that there was no fielding time requirement. The statement was simply a reference to the requirement that the contractor provide hardware and software to the user in the field for evaluation.

real time basis was also considered. In its initial proposal, Boeing included [deleted].

We find nothing inconsistent or improper in the management evaluation. [Deleted.] To the extent that Boeing is arguing that its [deleted] should have been more favorably evaluated as equivalent to [deleted], it was Boeing's responsibility to ensure that this information was clearly presented in its proposal. See donald clark Assocs., B-253387, Sept. 15, 1993, 93-2 CPD ¶ 168.

MEANINGFUL DISCUSSIONS

Agencies are required to conduct meaningful discussions with all competitive range offerors. Stone & Webster Eng'g Corp., B-255286.2, Apr. 12, 1994, 94-1 CPD ¶ 306. In order for discussions to be meaningful, contracting officials must advise offerors of deficiencies in their proposals and afford offerors an opportunity to revise their proposals to satisfy the government's requirements. Id. This does not mean that offerors are entitled to all-encompassing discussions. Agencies are only required to lead offerors into areas of their proposals that require amplification. Caldwell Consulting Assocs., B-242767; B-242767.2, June 5, 1991, 91-1 CPD ¶ 530. The degree of specificity required in conducting discussions is not constant and is primarily a matter for the procuring agency to determine. JCI Envtl. Servs., B-250752.3, Apr. 7, 1993, 93-1 CPD ¶ 299. Based upon our review of the evaluation and discussion questions, we conclude that the agency generally led Boeing into the areas which concerned the evaluators and required amplification.

In the technical evaluation, the evaluators identified a disadvantage under the [deleted]. [Deleted.] Boeing contends that the agency failed to make it aware of its concern with these [deleted] issues.¹⁰

¹⁰Boeing also argues that a required [deleted] represents an undisclosed evaluation criterion. We disagree. While agencies are required to identify the major evaluation factors, they are not required to identify the areas of each factor which might be taken into account, provided that the unidentified areas are reasonably related to or encompassed by the stated criteria. Avogadro Energy Sys., B-244106, Sept. 9, 1991, 91-2 CPD ¶ 229. Here, the RFP set forth a maximum [deleted]. Inasmuch as offerors were required to propose [deleted] design which would not exceed that limit, the agency's evaluation [deleted] was reasonably related to the [deleted].

The agency identifies several discussion questions concerning [deleted]. We believe these questions were sufficient to lead the protester into this area of the evaluators' concern.

[Deleted.]

Boeing also asserts that it was denied meaningful discussions regarding the agency's concern with its [deleted]. In this regard, in discussions, the agency asked Boeing to provide design and analysis data to justify the adequacy of [deleted] to satisfy the requirements of EFOG-M. It specifically identified that portion of the Boeing proposal which listed [deleted].

The protester argues that this was insufficient to apprise it of the agency's concern. However, it is apparent that Boeing was aware of the concerns and the potential for [deleted] questions to be raised. In its initial proposal, Boeing included data on the [deleted]. Nonetheless, Boeing did not provide the detailed design analysis requested and the agency did not increase its [deleted] rating on this evaluation factor. Since Boeing failed to take advantage of the opportunity to provide the requested information, we do not agree with Boeing's assertion that clearer discussions would have led to a different response or evaluation score. [Deleted.]

Boeing also argues that the agency failed to conduct meaningful discussions with it regarding its [deleted].

We have reviewed the questions asked in discussions and find they were adequate to lead the protester into this area of the agency's concern. The agency asked 10 questions concerning the [deleted]. The agency also asked more than 40 questions concerning [deleted]. These should have alerted Boeing to the agency concerns over [deleted].¹²

¹² Boeing also challenges the agency's application of an 80-percent confidence or probability factor to all offerors' cost proposals in adjusting for [deleted]. Boeing was made aware of the application of the 80-percent factor at its debriefing, but did not raise it until its comments on the agency report. This was more than 10 working days after it knew, or should have known, of this basis for protest, making the issue untimely. 4 C.F.R. § 21.2(a)(2) (1995). In any event, we find nothing objectionable in the agency's use of a confidence factor, uniformly applied to all offerors' proposals, to gauge the likely cost due to [deleted]. While the agency originally used a 50-percent factor, the SSEB and SSAC agreed that the 80-percent factor
(continued...)

COST EVALUATIONS

Boeing raises a number of issues concerning the agency's calculation of the MPC, including the alleged failure to provide proper cost credit, labor hour adjustments, and lack of sufficient explanations for adjustments. The evaluation of competing cost proposals requires the exercise of informed judgment by the contracting agency; since such an analysis is a judgment matter on the part of the contracting agency, our review is limited to a determination of whether an agency's cost evaluation was reasonably based. See Fairchild Weston Sys., Inc., B-229568.2, Apr. 22, 1988, 88-1 CPD ¶ 394. From our review of the proposals, cost evaluations, and arguments of the parties, we find the agency's cost evaluation reasonable.

Boeing first contends that the agency improperly failed to consider and give appropriate credit for a [deleted]. We have examined the claimed savings and the evaluations and find unobjectionable the credit given by the agency.

The agency gave Boeing appropriate credit in the technical evaluation in the areas of [deleted]. It also considered the claimed savings through the technical evaluators' input to the cost analysts. The agency was unable to provide more credit than it did due to the lack of information to substantiate the claim. [Deleted.]

Boeing's next contention concerns the agency's use of a proration formula to adjust the MPC to reflect recommended adjustments in technical hours. The original RFP instructed offerors to include in their technical proposals, by government fiscal year, labor hours (not costs) (direct/indirect/factored), materials, and other direct costs (ODC) for these areas. The rationale for all items was required and all information was to directly correlate with the cost proposal. When the technical area evaluators began their evaluation of the offerors' proposals, they found that all had failed to provide sufficient information to correlate labor hours, material, and ODCs from the technical proposals with the cost proposals. The agency issued amendment No. 0010 which added the requirement that labor hours, materials, and ODCs in the technical proposal be shown for CLINs in a work breakdown structure (WBS) format tiered to a minimum of three levels under each CLIN. It also required the offerors to include computations and rationale for each labor category following a suggested format. With regard to correlation, it specifically advised that the same

¹²(...continued)

produced a more realistic MPC figure. We find nothing unreasonable in this assessment. [Deleted.]

information furnished in the cost volume must be separately furnished in the technical volume.

The first revised proposals for the other offerors improved in this regard, but Boeing's proposal still contained [deleted] discrepancies. The evaluators could not track from the technical volume to the cost volume or vice versa. In written discussions, the agency advised Boeing that the [deleted] hours in the technical volume were inconsistent with those in the cost volume and requested a cross-walk between them. In response, Boeing explained that hours listed in its technical proposal for [deleted], were reflected as [deleted] dollars in the cost volume.

The agency found this response inadequate to resolve the problems and so issued two more questions, one which advised of "significant problems with traceability" between the volumes, and requested compliance with the requirement that "all information shall directly correlate with the cost proposal." The other question advised that the evaluators found Boeing's presentation of [deleted] in the technical volume to be confusing. In oral discussions, the agency emphasized that the level of substantiation and traceability exhibited in the proposal was more important than the format. In response, Boeing submitted [deleted] information which it stated would allow for the necessary tracking of hours and costs. This [deleted] contained a similar list [deleted] for the same technical hour categories which would be found as dollars, including [deleted], in the cost volume.

Boeing asserts that its proposal was sufficiently detailed to allow all adjustments and that had it been done properly, a more realistic, and lower, MPC would have been calculated for Boeing. The agency maintains that the [deleted] was inadequate because it did not allow complete correlation of technical and cost hours, and thus the agency had to resort to a proration formula to calculate the MPC. In written submissions and in a telephone conference with the parties, the protester attempted to explain how the agency should have used the [deleted] and the agency explained where it found the [deleted] was inadequate. We have reviewed this information and agree with the agency that Boeing's proposal was inadequate to allow direct correlation of technical and cost hours.

[Deleted.]

[Deleted.] Under the circumstances here, we believe this proration method produced a reasonable estimate of the cost adjustments related to adjustments in technical labor.¹³

Boeing next contends that the agency failed to account for a number of recommended technical hour adjustments and, in the absence of these explanations, it is entitled to have its protest sustained. See S-Cubed, A Div. of Maxwell Labs., Inc., B-242871, June 17, 1991, 91-1 CPD ¶ 571 (protest sustained for lack of evidence of meaningful cost realism analysis). Even though the agency has accounted for the missing explanations, the protester argues that we must ignore them as too late. See Aircraft Porous Media, Inc., B-241665.2; B-241665.3, Apr. 8, 1991, 91-1 CPD ¶ 356; aff'd B-241665.4, June 28, 1991, 91-1 CPD ¶ 613. We disagree.

In its supplemental protest, Boeing generally alleged that there were "numerous discrepancies" in the estimates made by the technical evaluators when compared with the cost analysts' estimates. Apart from noting that the labor hours were not consistent with the cost hours, Boeing provided no specific example of any discrepancy and did not allege any lack of documentation. The agency's supplemental report responded by explaining that the inconsistency was due to having to use a proration formula to account for the cost of technical adjustments (see discussion above). The protester's comments to this report for the first time identified six recommendations for adjustments (increases and decreases) in labor hours [deleted] for which there were no corresponding narrative explanations. It also identified

¹³Boeing also asserts that if the agency is going to use a proration method, it should use a net method which applies the ratio only to the WBS items for which the evaluators recommended a change, rather than the entire CLIN which includes hours which were accepted by the evaluators as reasonable. Using this net method, the above CLIN 0001 example would have resulted in a total of [deleted] hours less. However, as observed by the agency, use of the net method would require that [deleted] hours which were excluded in the CLIN method would have to be accounted for in the net method. [Deleted.] Thus, application of the ratio to all such hours would result in an increase in Boeing's MPC. Further, in order to establish the unreasonableness of the evaluation, it is not enough that the protester merely disagrees with the agency's judgment or that the protester can point to alternative methodologies available to the agency; rather, the agency's evaluation must be shown to lack a reasonable basis. Payco Am. Corp., B-253668, Oct. 8, 1993, 93-2 CPD ¶ 214. Thus, Boeing's suggestion of an alternative method of proration does not render the agency's methodology unreasonable. Id.

another [deleted] hours which had been included despite a recommendation that no hours be added to a particular WBS item. Our Office requested the agency to respond to these specific allegations.

While we have sometimes refused to consider information submitted very late in the protest process, Aircraft Porous Media, Inc., supra, we do not have to do so. In the absence of contemporaneous documents, to determine whether an agency's selection decision is supportable, we will consider the entire record, including statements and arguments made in response to a protest. Dyncorp, 71 Comp. Gen. 129 (1991), 91-2 CPD ¶ 575. The situation here is unlike that in Aircraft Porous Media, Inc., supra, where the agency submitted information, uninvited, after numerous pleadings, an informal conference and fact-finding hearing, and too late for reasoned consideration by the protester or our Office. Here, our Office requested the information after the protester identified the specific allegations for the first time more than 10 weeks after it received the agency report.¹⁴ Further, we do not believe the information has been submitted too late for reasoned consideration.

The agency has admitted that the narrative explanations were missing and reconstructed the rationales of the evaluators. The agency also admitted that the [deleted] hours had been included by mistake and that two of the six recommendations contained errors. The net effect of these errors reduces Boeing's MPC from [deleted] to [deleted], a difference of approximately [deleted]. While the protester complains that it has insufficient time to analyze the agency's information, the information submitted is unremarkable. It simply provides a narrative basis for the adjustments recommended by the technical evaluators and we find nothing in the explanations which is inconsistent with the otherwise voluminous technical evaluation record. In this regard, we note that Boeing did not challenge the rationale of any of the narrative explanations which were included in the original record.

¹⁴In this regard, in its comments on the telephone conference conducted by our Office, Boeing for the first time identified an additional number of "unexplained" adjustments to Boeing's MPC, valued at [deleted]. While we are willing to consider the original seven items identified in the protester's comments, we find that these other identified items are untimely submitted. The protester had the agency report for close to 4 months before belatedly specifying these items. Our Bid Protest Regulations do not contemplate the unwarranted piecemeal presentation or development of protest issues. See Little Susitna Co., 65 Comp. Gen. 652 (1986), 86-1 CPD ¶ 560.

The question becomes whether the protester was prejudiced by the admitted errors which increased the difference between the MPCs of Boeing and Raytheon from [deleted] to [deleted]. At our request, the SSA reconsidered his original source selection based on a hypothetical increase in the difference to [deleted], which represented the total value of all admitted and alleged errors in calculation of the MPC. In a supplement to the original source selection memorandum, the SSA concluded that the greater difference would not change his decision to select Raytheon. In this regard, he again considered the technical superiority of Raytheon over Boeing, noting specific examples of technical advantages, and Raytheon's lower performance risk rating, which represented a combined weight of 60 percent of the evaluation. He also observed that cost represented only 20 percent of the evaluation and Raytheon's MPC would be only [deleted] percent higher than Boeing's MPC. Overall, the SSA concluded that Raytheon's technical superiority and commendable past performance was "more than worth" a postulated [deleted] Boeing cost advantage. While Boeing urges that we should not consider the SSA's statement, the statement represents a detailed supplement to the original detailed statement and addresses the evaluation criteria, specific technical advantages present in the Raytheon proposal, and balances these against the Boeing's cost advantage. We find no basis to disregard the statement or to object to the tradeoff determination that it sets forth.

The protest is denied.

Robert P. Murphy
General Counsel