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**Comptroller General
of the United States**

**United States Government Accountability Office
Washington, DC 20548**

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Decision

Matter of: ITT Industries Space Systems, LLC

File: B-309964; B-309964.2

Date: November 9, 2007

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Scott Arnold, Esq., Bradley Wine, Esq., Joseph Berger, Esq., Austin Fulk, Esq., and Justin A. Chiarodo, Esq., Dickstein Shapiro LLP, for Ball Aerospace & Technologies Corp., an intervenor.

Vincent A. Salgado, Esq., James T. Mahoney, Esq., Daniel Hymer, Esq., and Laura M. Giza, Esq., National Aeronautics and Space Administration, for the agency.

Edward Goldstein, Esq., and Christine S. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest challenging evaluation of proposals and source selection decision is denied where record demonstrates that the evaluation was reasonable and consistent with the solicitation, and protester's arguments amount to mere disagreement with agency's conclusions.
 2. Agency's failure to address Defense Contract Audit Agency qualification of audit results regarding awardee's cost proposal due to awardee's noncompliance with cost accounting standards was not prejudicial where agency demonstrated that awardee's noncompliance would not result in any increased costs to the government.
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DECISION

ITT Industries Space Systems, LLC protests the award of a contract to Ball Aerospace & Technologies Corp. (BATC) under request for proposals (RFP) No. NNG07177439R, issued by the National Aeronautics and Space Administration (NASA) for the operational land imager instrument for the Landsat Data Continuity Mission. ITT argues that NASA improperly evaluated its proposal as well as that of the awardee, failed to conduct meaningful discussions with ITT, and, as a consequence, the award decision was flawed.

We deny the protest.

BACKGROUND

The Landsat Data Continuity Mission (LDCM) is an Earth-observing satellite program. Under this program a series of Landsat satellites have been collecting images of the Earth's surface since 1972 for a variety of uses, including land use planning, agricultural monitoring, and natural resources management. On January 9, 2007 NASA issued the subject RFP for the procurement of the LDCM's next generation Operational Land Imager (OLI) instrument--"a multispectral, reflective-band, imaging sensor," which is intended for flight aboard a separately procured LDCM satellite. Contracting Officer's (CO) Statement at 3.

The solicitation contemplates the award of a cost-plus-award-fee contract with a base period of performance of 52 months for the OLI instrument (including delivery of the OLI instrument within 39 months of contract award and integration of the instrument in the separately procured satellite), an additional 5 years of post-orbit sustaining engineering, plus five 1-year options for additional sustaining engineering. The RFP provided for award to the offeror submitting the proposal which was determined to represent the best value to the government. In making the best value determination, the RFP established a trade-off process in which NASA would evaluate and consider proposals with respect to three factors: mission suitability, cost, and past performance. The mission suitability factor was more important than either the cost or past performance factors, both of which were of equal importance. Moreover, the RFP specified that the cost factor was "significantly less important than the combined importance of the Mission Suitability Factor and the Past Performance Factor." RFP at 00197.

Section M.4 of the solicitation identified five subfactors within the mission suitability factor. According to this section of the RFP, each subfactor was assigned a maximum numerical point value with a combined maximum value of 1,000 points as follows:

A. Instrument Design Concept	400 points
B. Instrument Testing and Calibration Planning	250 points
C. Management, Systems Engineering, Performance Assurance	250 points
D. Safety and Health	50 points
E. Small Disadvantaged Business Participation Program	50 points

RFP at 00203.

Regarding cost, section M.5 of the solicitation provided that NASA would evaluate offerors' proposed costs for reasonableness and realism, and that upward or downward adjustments might be made as a result of the agency's cost realism

assessment, to include adjustments to an offeror's proposed direct and indirect costs. An offeror's proposed fee would not be adjusted, however, and all proposed fee amounts would be included in NASA's assessment of an offeror's most probable cost. The RFP further provided for adjustments to an offeror's mission suitability score if NASA was required to adjust an offeror's proposed cost by 21 percent or more when determining the offeror's most probable cost.

For the purposes of evaluating offerors' past performance, the solicitation instructed offerors to provide information concerning all relevant contracts and subcontracts that they and their major subcontractors were then currently performing or had completed within the past 5 years. RFP at 00194. The RFP indicated that NASA's past performance evaluation would be based upon a consideration of an offeror's performance and the degree of relevance of the past performance as reflected in information contained in the offeror's proposal, customer questionnaires, and other references that NASA might contact for additional information. NASA would assign an offeror a rating of excellent, very good, good, fair, poor, or neutral based upon an assessment of its performance. According to the RFP, NASA would consider, among other things, an offeror's performance record with respect to technical issues, schedule, cost, management, and mission success. In assessing the relevance of an offeror's performance history, NASA indicated that it would assess the "degree" to which a prior contract was similar to the requirements of the solicitation with respect to size, content, and complexity. RFP at 00205.

On February 23, NASA received timely proposals from two offerors (ITT and BATC) in response to the solicitation. NASA then constituted a source evaluation board (SEB), which conducted an initial evaluation of the offerors' proposals with respect to the three evaluation factors (mission suitability, past performance, and cost) and found that both offerors' proposals contained "weaknesses" as well as "significant weaknesses." In letters dated April 19, NASA sent ITT and BATC written discussion questions identifying the weaknesses and significant weaknesses identified by the SEB in its initial evaluation. In addition, the discussion letters provided that NASA would hold face-to-face meetings with ITT and BATC regarding the information contained in the written discussion letters and further indicated that the offerors should be prepared to discuss the information set forth in those letters. AR, Tab 24, ITT Discussions Letter, at 04206.

After individually meeting with NASA, ITT and BATC timely submitted their final proposal revisions. The SEB's evaluation of the ITT and BATC proposals under the three evaluation factors is summarized as follows:

Offeror	Mission Suitability Points	Mission Suitability Rating	Proposed Cost Plus Award Fee	Recommended Cost Plus Award Fee ¹	Past Performance
BATC	847	Very Good	\$127,873,686	\$142,083,921	Good
ITT	660	Good	\$174,012,643	\$167,568,734	Good

AR, Tab 45, SEB Final Report, at 07907.

In its evaluation of ITT’s proposal under the mission suitability factor, the SEB determined that ITT’s proposal contained 13 strengths and 8 weaknesses, with no significant strengths, significant weaknesses or deficiencies. BATC’s “very good” rating under this factor was based on the SEB’s finding that its proposal contained 2 significant strengths, 13 strengths and 1 weakness, with no significant weaknesses or deficiencies. AR, Tab 45, SEB Final Report, at 07940, 07925. The detailed breakdown of the scores under the five mission suitability subfactors was as follows:

Mission Suitability Factor	Points Available	BATC			ITT			
		Subfactor	Pts	Adj	Score	Points	Adj	Score
Subfactor A – Instrument Design Concept	400	Excel	95		380	Good	65	260
Subfactor B – Instrument Testing and Calibration Planning	250	Excel	97		242.5	Good	70	175
Subfactor C - Management, Systems Eng’g, Performance Assurance	250	Good	65		162.5	Good	70	175
Subfactor D – Safety and Health Plan	50	Good	60		30	Good	60	30
Subfactor E – Small Disadvantaged Business (SDB) Participation Program	50	Good	64		32	Fair	40	20
Cost Realism Adjust					0			0
Total	1000	Very Good			847	Good		660

¹ The recommended cost reflected NASA’s adjustments to the offeror’s proposed cost based upon its cost realism evaluation.

AR, Tab 45, SEB Final Report, at 07924.

After the SEB presented its findings to the source selection authority (SSA), the SSA concluded that BATC's technically superior proposal with its lower probable cost was more advantageous to the government than the proposal submitted by ITT and decided to make award to BATC. This protest followed.

ITT's protest raises numerous arguments challenging the agency's evaluation of proposals and the content and scope of its discussions with ITT. With respect to the cost factor, ITT contends that NASA's cost realism evaluation was flawed and that NASA's discussions regarding its costs were misleading and not meaningful. With regard to the past performance factor, ITT asserts that NASA's evaluation was flawed and reflected unequal treatment, and that the SSA's consideration of the offerors' past performance was not based upon a reasonable consideration of the past performance record for either ITT or BATC. Regarding the mission suitability factor, ITT raises numerous specific challenges concerning NASA's evaluation of its proposal, asserts that discussions regarding its weaknesses in many instances were not meaningful, and that NASA's evaluation of ITT's proposal in several instances evidences unequal treatment when compared to its consideration of BATC's proposal. As a final matter, ITT contends that the above issues resulted in NASA making a flawed award decision. Although we do not here specifically address all of ITT's arguments about the evaluation of proposals and other agency actions, we have fully considered all of them and find that they afford no basis to sustain the protest of the selection decision here.

DISCUSSION

Cost Evaluation

When an agency evaluates a proposal for the award of a cost-reimbursement contract, as in this case, an offeror's proposed estimated costs are not dispositive because, regardless of the costs proposed, the government is bound to pay the contractor its actual and allowable costs. Federal Acquisition Regulation (FAR) §§ 15.305(a)(1); 15.404-1(d); Tidewater Constr. Corp., B-278360, Jan. 20, 1998, 98-1 CPD ¶ 103 at 4. Consequently, the agency must perform a cost realism analysis to determine the extent to which an offeror's proposed costs are realistic for the work to be performed. FAR § 15.404-1(d)(1). An agency is not required to conduct an in-depth cost analysis, see FAR § 15.404-1(c), or to verify each and every item in assessing cost realism; rather, the evaluation requires the exercise of informed judgment by the contracting agency. Cascade Gen., Inc., B-283872, Jan. 18, 2000, 2000 CPD ¶ 14 at 8. Further, an agency's cost realism analysis need not achieve scientific certainty; rather, the methodology employed must be reasonably adequate and provide some measure of confidence that the costs proposed are reasonable and realistic in view of other cost information reasonably available to the agency as of

the time of its evaluation. See SGT, Inc., B-294722.4, July 28, 2005, 2005 CPD ¶ 151 at 7; Metro Mach. Corp., B-295744; B-295744.2, Apr. 21, 2005, 2005 CPD ¶ 112 at 10-11. Because the contracting agency is in the best position to make this determination, we review an agency's judgment in this area only to see that the agency's cost realism evaluation was reasonably based and not arbitrary. Hanford Env'tl. Health Found., B-292858.2, B-292858.5, Apr. 7, 2004, 2004 CPD ¶ 164 at 8-9.

In order to facilitate the agency's cost evaluation, offerors were required to submit proposed cost estimate information (i.e., hours by labor category, subcontract cost information, and other direct costs) for many of the work elements (and specific sub-elements) that were, in the agency's view, "fundamental" to the OLI requirement. These were referred to as the "Work Breakdown Structure" (WBS). In performing its cost evaluation, the SEB considered each offeror's proposed technical approach and proposed cost estimates, which it compared to NASA's own estimates for each WBS. Based on the SEB's understanding of the requirements and the offeror's unique technical approach, the SEB calculated "recommended" or "probable" values for hours and ODCs. Utilizing this information, in conjunction with labor rate information submitted by the offerors, which was reviewed by the Defense Contract Audit Agency (DCAA) and adjusted based on recommendations from DCAA, as well as the offeror's fee, NASA calculated recommended total costs for BATC and ITT. AR at 7, AR, Tabs 19, 20, 21, 41, and 44. Specifically, NASA made an upward adjustment to BATC's total proposed estimated cost, increasing it from \$127,873,686 to \$142,083,921 and made a downward adjustment to ITT's total proposed estimated cost, decreasing it from \$174,012,643 to \$167,568,734.

In challenging the agency's cost evaluation, ITT principally contends that NASA's conclusions regarding the estimated cost differential between the two offerors is not supported by the contemporaneous record. ITT asserts that there was no basis for NASA to conclude that ITT would incur substantially more labor hours for management since there was nothing to suggest that ITT's management approach was less efficient than that of BATC. In this vein, ITT faults NASA for not performing a "cross-check" to determine whether differences between offerors' hours for WBS cost elements were the result of differences in their technical approaches or of inconsistencies in the evaluation of offerors. None of these challenges provides a basis to sustain ITT's protest.

Notwithstanding the protester's contentions to the contrary, the contemporaneous record clearly reflects NASA's detailed cost evaluation and specific identification of the areas where ITT's and BATC's cost elements differed based on their varying technical approaches. In the regard, NASA explains that ITT's \$25 million higher adjusted cost as compared to BATC's was a consequence of several factors. AR, Tab 46, SEB Slide Presentation to SSA, at 08028. Notably, ITT's estimated fee pool

was [DELETED] percent as compared to BATC's fee pool of [DELETED] percent.² Moreover, NASA determined that approximately \$[DELETED] million of the difference was explained by three major factors. First, ITT proposed [DELETED] as compared to BATC. While this was ultimately judged to be a strength of ITT's proposal, it was more expensive. Second, ITT's OLI design was [DELETED] and therefore more expensive than BATC's OLI design. Third, ITT utilized [DELETED] than BATC proposed to perform the OLI work. AR at 11-12. By way of example, NASA notes that ITT's management team included a [DELETED], a position that BATC did not have. ITT also proposed [DELETED]. BATC, on the other hand, did not [DELETED] overseeing each of their major technical areas. In addition, BATC proposed to do [DELETED], resulting in greater staffing inefficiencies due to duplication of staffing for the subcontractor and prime. Id.

While ITT contends that there is no basis for concluding that its management approach was "less efficient" and therefore would yield a substantially higher number of estimated management labor hours, ITT fails to address the specific examples of the differences in the management structure between the two proposals identified by NASA. Rather, ITT simply notes that there was a wide disparity between ITT's higher management hours and those of BATC, and concludes, based on this fact alone, that there is no rational basis for such a disparity.³ The basis for the disparity, however, is a logical extension of the fact that ITT, in its initial proposal, set forth a management approach based on substantially more management hours than even the final upwardly adjusted hours for BATC.⁴ In this

² The fee pool values represent NASA's adjusted values for both ITT and BATC. AR, Tab 46, SEB Slide Presentation to SSA, at 08028.

³ In its initial proposal, ITT proposed [DELETED] hours with respect to the "Management" WBS, while BATC proposed [DELETED] hours. NASA estimated that, based on ITT's approach, that number should be increased by [DELETED] for a total of [DELETED] hours, to account for items such as [DELETED] and estimated that the number of hours for BATC should be increased by [DELETED] for a total of [DELETED] hours. NASA raised these issues with ITT and BATC during discussions. AR, Tab 24, ITT Discussions Letter, at 04218-19; AR, Tab 25, BATC Discussions Letter, at 04262-63. In its final proposal, ITT proposed [DELETED] hours based on the discussion items. NASA, however, made a downward adjustment of [DELETED] with respect to ITT's final proposal. AR, Tab 41, Cost Analysis Tables, at 07104-05. BATC, on the other hand included only [DELETED] hours in its final proposal, and based on its assessment of BATC's approach, NASA made an upward adjustment of [DELETED] hours for a total of [DELETED] hours under the "Management" WBS. AR, Tab 46, SEB Slide Presentation to SSA, at 08026-27.

⁴ As previously noted, see fn. 3, ITT initially proposed [DELETED] hours under the "Management" WBS, while BATC's final upwardly adjusted hours under this WBS were only [DELETED]. AR, Tab 41, Cost Analysis Tables, at 07104-05.

regard, ITT does not point to any information in the offerors' proposals suggesting that the agency's calculation of management hours for either offeror was erroneous, that BATC's proposal represented understaffing, or that NASA had failed to properly calculate ITT's or BATC's management hours. ITT's challenges in this regard do not provide a basis for sustaining its protest.

ITT further contends that NASA's cost realism evaluation was flawed because it failed to properly consider Defense Contract Audit Agency (DCAA) audit results identifying irregularities with BATC's compliance with cost accounting standards (CAS)—specifically, CAS 420—concerning, as relevant here, BATC's allocation of its costs for independent research and development. As a consequence, ITT contends that NASA's "most probable cost" estimate for BATC was not reasonably supported. Specifically, ITT highlights the fact that DCAA qualified its audit results for BATC based on the fact that BATC was "noncompliant" with CAS 420, which had been reported in prior audits, indicated that the cost impacts had not been determined, and stated that these issues "may have a significant effect on the final cost allocations for CAS covered Government contracts." AR, Tab 50, DCAA Audit for BATC, 08221. In addition, DCAA explained that the Divisional Administrative Contracting Officer (DACO) of the Defense Contract Management Agency for BATC would separately negotiate the cost impact of the noncompliance. Id.

The record shows that NASA further questioned DCAA on this issue, asking whether it could provide some indication of the magnitude of the cost impact. DCAA responded that it could not provide such an estimate, simply noting that the matter would be addressed by the DACO. NASA did not pursue the matter with BATC during discussions and did not make any adjustments to BATC's costs as result of the DCAA qualification.

In a hearing held by our Office, however, the DACO for BATC, who is responsible for, among other things, cost allowability issues and interacting with DCAA regarding its contractor audit reports with respect to BATC's contracts, provided testimony regarding this issue. The DACO explained that BATC's noncompliance relates to a 2001 audit finding, which has not yet been resolved, that any cost impact would be limited to fiscal year 2000 incurred costs, and that any cost adjustment would be limited to a decrease in costs to the government—BATC's noncompliance would not result in increased costs to the government. Hearing Transcript (Hearing Tr.) at 173. Moreover, the DACO indicated that even if the noncompliance identified in the 2001 audit were a continuing issue, such that it implicated BATC's 2007 contracts (something which the DACO indicated has not been identified by DCAA), such noncompliance by BATC again would not result in any increased costs to the government, thus negating any concern that BATC's costs under the OLI contract would increase as a consequence of the outstanding CAS issue. Id. While ITT contends that the issue was raised by DCAA and that the DACO cannot speak for DCAA, the record reflects that DCAA expressly indicated that the matter would be addressed by the DACO and ITT has not explained why the DACO's testimony

should be regarded as unreliable or otherwise unreasonable. As a consequence, on this record, ITT's challenge does not provide a basis for our Office to sustain its protest with regard to this issue.

With respect to the cost evaluation, ITT further contends that NASA misled ITT during discussions into increasing its costs and argues that its discussions were not meaningful because NASA failed to inform ITT that its fee was "too high." ITT's Comments and Supplemental Protest at 33. These arguments are without merit. Both arguments stem from the erroneous premise that NASA found ITT's costs to be "unreasonably" high and its award fee "excessive." ITT's Comments and Supplemental Protest at 31, 34. While ITT's costs and fee were less competitive than those of BATC, there is simply nothing in the record to support ITT's assertions that NASA found them to be unreasonable or excessive based upon its understanding of ITT's proposal technical approach. An agency is not required to inform an offeror during discussions that its costs are not as competitive as those of another offeror. Yang Enters., Inc.; Santa Barbara Applied Research, Inc., B-294605.4 et al., Apr. 1, 2005, 2005 CPD ¶ 65 at 10.

Regarding ITT's allegation that it was misled into increasing its costs, the record reflects that NASA's discussions addressed areas where it had concluded that ITT's proposal failed to account for costs based upon ITT's proposed technical approach and NASA's understanding of the requirements. For example, NASA noted that ITT failed to include labor hours to "support weekly telecoms," "working groups," and additional "mission-level reviews," and underestimated travel needs and labor support for various activities. AR, Tab 24, ITT Discussions Letter, at 04218-19. ITT suggests it was improper for NASA to lead ITT to further increase its labor hours and thereby its costs through the discussions process, since its labor hours and costs were higher than those estimated by NASA and those proposed by BATC. ITT's argument, however, fails to recognize that ITT's own changes in its final proposal affirmed that ITT believed NASA's concerns were justified. If ITT believed that it could perform the contract at the costs it initially proposed, it had the option to submit this information to the agency in response to the discussion questions. In addition, as noted above, NASA's cost realism evaluation was based upon ITT's proposed technical approach and the discussion questions were necessarily tailored to that approach. Thus, the fact that ITT's labor hours and costs were higher than those estimated by NASA or proposed by BATC is irrelevant to the propriety of NASA's discussion questions to ITT, which we believe reasonably addressed cost concerns related to ITT's technical approach. As a consequence, we see nothing objectionable in the agency's discussions.

Past Performance

In challenging NASA's past performance evaluation, ITT contends that it was unreasonable for ITT and BATC to have both been rated "good" under the past performance factor given ITT's superior past performance record as compared to that of BATC. In this regard, ITT asserts that NASA misevaluated its own past performance and failed to properly consider BATC's past performance record, that the evaluation reflected disparate treatment between ITT and BATC, and that the SSA did not have a reasonable understanding of the differences between the offerors' past performance information.

Determining the relative merits of an offeror's past performance information is primarily a matter within the contracting agency's discretion and we will not substitute our judgment for reasonably based past performance ratings. United Paradyne Corp., B-297758, Mar. 10, 2006, 2006 CPD ¶ 47 at 4. We will examine an agency's evaluation only to ensure that it was reasonable and consistent with the solicitation's evaluation criteria and procurement statutes and regulations. Clean Harbors Envtl. Servs., Inc., B-296176.2, Dec. 9, 2005, 2005 CPD ¶ 222 at 3. A protester's mere disagreement with the agency's judgment does not establish that an evaluation was improper. Id.

Here, as a general matter, the past performance record with respect to both ITT and BATC reflects laudatory comments and ratings, as well as instances where both offerors experienced serious problems. NASA made a judgment that each offeror's past performance warranted an overall rating of "good," and there is nothing in the record to indicate that NASA's considered judgments were outside the bounds of reasonable decisionmaking. In this regard, we have specifically reviewed all of the arguments raised by ITT and find none to be meritorious.

For example, in challenging NASA's evaluation of its own past performance, ITT asserts that NASA inexplicably excluded one of its past performance contracts where it had received excellent past performance scores, specifically its work as a subcontractor for the design of the National Polar-orbiting Operational Environmental Satellite System (NPOESS)-Visible/Infrared Imager/Radiometer Suite (VIIRS) Sensor. NASA explains, however, that ITT's involvement with the NPOESS-VIIRS Sensor contract was limited to that of a "potential alternate source" and thereby limited to the formulation phase of that contract (*i.e.*, preliminary design review). CO Supplemental Statement of Facts at 2. As such, the SEB concluded that the NPOESS-VIIRS Sensor contract was not sufficiently similar to the OLI project, which entails the design, development, fabrication and testing, and integration of the OLI for the LDCM; the SEB specifically informed the SSA that it did not consider contracts in the formulation phase, such as the NPOESS-VIIRS Sensor contract, to be relevant. AR, Tab 46, SEB Slide Presentation to SSA, at 8004. While ITT contends that its work on the NPOESS-VIIRS Sensor contract which involved a "significant" and "complicated design process," was "clearly relevant," ITT's Supplemental

Comments at 9, its arguments amount to little more than disagreement with the agency's judgment and do not provide a basis to sustain its protest.

ITT further contends that by not considering the NPOESS-VIIRS Sensor contract, NASA's evaluation reflected unequal treatment since it did consider one of BATC's contracts (its Deep Impact Instrument contract with the University of Maryland) notwithstanding the fact that NASA had not received a past performance questionnaire regarding BATC's performance under that contract. ITT's argument in this regard does not logically flow from its premise since NASA disregarded ITT's NPOESS-VIIRS Sensor contract due to relevance concerns, not because it did not obtain a questionnaire regarding ITT's performance. In any event, the record reflects that while NASA did not obtain a questionnaire regarding BATC's performance of the Deep Impact contract, NASA did in fact obtain information concerning BATC's performance under that contract from the customer and specifically documented the information it received, see AR at 21 n.5; AR, Tab 34, BATC Past Performance Information, at 06827-28, thus establishing a basis for NASA's consideration of BATC's performance on the Deep Impact contract and its conclusion that BATC's performance on that contract was "very good" overall. AR, Tab 45, SEB Final Report, at 07966.

In challenging NASA's past performance evaluation, ITT argues that NASA erroneously considered its performance as a subcontractor to provide the Cross-Track Infrared Sounder (CrIS) Sensor in support of the NPOESS and that its rating is not supported by the record. NASA rated ITT's past performance under the CrIS contract as "good" for technical and "fair" for both schedule and price. ITT argues that its "fair" rating with respect to schedule was not justified based on the past performance questionnaire NASA received from the prime contractor regarding ITT's performance. Conceding the fact that its performance has been affected by what ITT characterizes as "a unique but significant vibration failure," ITT notes that the questionnaire reflected ratings of "very good" and "good" with respect to questions concerning schedule. ITT's Comments and Supplemental Protest at 11.

NASA considered ITT's performance on the CrIS contract to be "highly relevant" since "the CrIS contract is most like the OLI contract in that it involves design, development, fabrication and testing of a complex earth observing instrument," and therefore "weighed very heavily in the past performance evaluation for ITT." CO Supplemental Statement of Facts at 4. In considering ITT's performance of the CrIS contract, the SEB obtained information beyond the prime contractor questionnaire. As explained in hearing testimony, the SEB obtained input from the project manager for the NPOESS Preparatory Project, a NASA employee, who had direct knowledge of the status of the subsidiary CrIS instrument project. Hearing Tr. at 16. This individual provided the SEB with a highly critical assessment of ITT's performance under the CrIS program, indicating that ITT was the primary cause of the noted

vibration failure, which delayed the scheduled delivery of the CrIS instrument by more than 1 year, and stated that ITT's performance was "unsatisfactory."⁵ Hearing Tr. at 18, 20. Based on this record, we find nothing unreasonable with NASA's past performance ratings with respect to ITT's performance under the CrIS contract.

Mission Suitability

With respect to the mission suitability factor, ITT raises numerous specific challenges concerning NASA's evaluation of its proposal and asserts that discussions regarding many of its weaknesses were not meaningful, and that NASA's evaluation of ITT's proposal in several instances evidences unequal treatment when compared to its consideration of BATC's proposal.

In reviewing an agency's evaluation, we will not reevaluate technical proposals, but instead will examine the agency's evaluation to ensure that it was reasonable and consistent with the solicitation's stated evaluation criteria. L-3 Communications Westwood Corp., B-295126, Jan. 19, 2005, 2005 CPD ¶ 30 at 5. In negotiated procurements, whenever discussions are conducted by an agency, they are required to be meaningful, equitable, and not misleading. To satisfy the requirement for meaningful discussions, the agency need only lead an offeror into the areas of its proposal requiring amplification or revision; all-encompassing discussions are not required, nor is the agency obligated to "spoon-feed" an offeror as to each and every item that could be revised to improve its proposal. Metro Mach. Corp., B-295744, B-295744.2, Apr. 21, 2005, 2005 CPD ¶ 112 at 19. This is particularly true where, as here, one aspect of the evaluation is to test the offeror's technical understanding. See TRI-COR Indus., B-259034.2, Mar. 14, 1995, 95-1 CPD ¶ 143 at 5-6. We have considered all the issues raised by the protester concerning the mission suitability factor and find that they are without merit.

ITT argues that several of the strengths it received should have instead been characterized as "significant" strengths, based upon the relative definition of the two adjectival ratings and the superlatives used by the SEB in describing the merits of the strengths contained in ITT's proposal, and as reflected by the description of the significant strengths ascribed to BATC's proposal. For example, ITT contends that it should have been assessed a "significant strength" as opposed to a "strength" under subfactor A, Instrument Design, of the mission suitability factor, for its proposed [DELETED] since the SEB found that the ITT had proposed "a very effective design to mitigate contamination risk." AR, Tab 45, SEB Final Report, at 07940. According

⁵ The project manager's testimony in this regard was consistent with contemporaneous evaluator notes reflecting that ITT's performance on the CrIS contract had been rated as "unsatisfactory" due to the noted vibration failure, which had negatively affected both schedule and cost. AR, Tab 35, ITT Past Performance Information, at 06912.

to ITT, a finding the ITT proposed a “very effective” design properly falls within the definition of a “significant strength,” which requires a finding that the proposal “greatly enhances the potential for successful performance, or contributes significantly toward meeting or exceeding the contract requirements,” as opposed to a strength, which merely required a finding the proposal provides “a high level of confidence of meeting the requirement and to some extent clearly exceeds what is necessary to meet the requirement.” *Id.* at 07918-19. We find ITT’s entire line of argument in this area to essentially express ITT’s disagreement with the agency’s considered technical judgments regarding the specific elements of the offerors’ proposals and we find nothing to suggest that the agency’s judgments were unreasonable or inconsistent with the terms of the solicitation.

ITT also argues that NASA unreasonably assigned its proposal a “weakness” for lacking adequate maturation plans for its [DELETED]. As it relates to this issue, the RFP provided as follows:

Assess the technical maturity of the following instrument subsystems: the focal plane, focal plane electronics, mechanisms, calibration devices, structure, optics, and solid state recorder. Assess the technology readiness of all technologies below Technological Readiness level 6 (TRL-6) and provide detailed plans and schedules for their maturation.

RFP at 00180.

In its proposal, ITT maintained that all of its OLI design technologies met the TRL-6 standard. AR, Tab 9, ITT Initial Proposal, at 01628. The SEB had concerns as to whether ITT’s [DELETED] and in discussions with ITT, NASA expressly indicated that “the proposed technology readiness levels of the [DELETED] are not adequately substantiated.” AR, Tab 24, ITT Discussions Letter, at 04215. In its final proposal revision, ITT attempted to address NASA’s concerns in this regard by providing additional information to confirm that these items were in fact TRL-6 compliant. NASA, however, found the additional information provided by ITT to be inadequate and therefore assessed ITT with a weakness because, having failed to establish TRL-6 maturity for these items, ITT did not provide the detailed plans and schedules for the maturation of these items as required by the RFP.

ITT, in its comments on the agency report, argues that it had proposed significant cost and fee margins to accommodate “any efforts” to mature these items. ITT’s Comments and Supplemental Protest at 52. Addressing this argument, NASA explained that providing cost and fee margins is not the equivalent of providing maturation plans, and that ITT did not provide any discussion of the “efforts” that ITT would employ to mature these items. ITT then chides the agency for failing to recognize that ITT was not required to provide detailed plans and schedules for maturation of these items since it had established that the items were TRL-6

compliant. ITT, however, misses the point. ITT never addresses NASA's specific explanations of why it did not consider the items to be TRL-6 compliant, and because NASA found them to be at a level of maturity below TRL-6, ITT was required under the RFP to provide detailed maturation plans. Based on this record, there is nothing to suggest that NASA's evaluation of ITT's proposal in this regard was unreasonable.⁶

In challenging its discussions, ITT maintains that they were inadequate, and in many instances misleading, with regard to the specific weaknesses identified by the agency. For example, ITT contends that NASA failed to conduct adequate discussions with respect to ITT's proposed "calibration of radiometric sources."⁷ As it relates to this issue, the RFP indicated that NASA would evaluate the procedures by which an offeror would maintain traceability of their radiometric calibration with regard to spectral radiance standards maintained by the National Institutes of Standards and Technology (NIST) for the United States, and how the radiance calibration transfer to orbit will be verified. Hearing Tr. at 109-110; RFP at 00200.

NASA informed ITT that its [DELETED]. AR, Tab 24, ITT Discussions Letter, at 04220. The record reflects that ITT revised its proposal in response to NASA's concerns, however, the SEB found that the additional information provided by ITT was not sufficient to address its underlying concern and the weakness therefore remained. In challenging the reasonableness of NASA's discussions, ITT argues that it was not informed of NASA's true concerns regarding this weakness, as reflected by

⁶ While ITT also argues that NASA's discussions regarding this issue were inadequate, the record clearly reflects that NASA specifically informed ITT of its concerns with the maturation levels of its [DELETED] where it indicated that they were "not adequately substantiated." AR, Tab 24, ITT Discussions Letter, at 04215. To the extent ITT chose to establish that these items were TRL-6 compliant and NASA ultimately concluded that ITT's efforts in this regard were inadequate, NASA was not obligated to re-open discussions with ITT to afford ITT yet a further opportunity to address this issue, or to provide ITT with an opportunity to provide maturation plans and schedules for these items. Ideamatics, Inc., B-297791.2, May 26, 2006, 2006 CPD ¶ 87 at 3 n.5. ITT further argued that NASA's discussions and evaluation of BATC's proposal demonstrate unequal treatment of ITT and BATC. The record, however, reflects that ITT and BATC proposed different approaches [DELETED]. Based on this record, we see nothing unequal about the agency's discussions or evaluation.

⁷ As NASA explained in hearing testimony, radiometric calibration in the context of the OLI procurement refers to the process of relating the OLI instrument output to a physical quantity, specifically spectral radiance. Radiometric calibration sources are the devices by which that calibration is determined for the OLI instrument prior to launch. Hearing Tr. at 108.

the SEB's characterization of the weakness in its final report. The record shows that the final report reflected NASA's concerns with issues which were first introduced in ITT's final proposal revision and therefore could not have been raised in NASA's previously held discussions with ITT; nor was NASA required, as ITT suggests, to reopen discussions in order to provide ITT with an opportunity to address NASA's concerns regarding the newly introduced information. Ideamatics, Inc., supra.

The protest is denied.

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