

B-299145.5

By decision of today, the Government Accountability Office (GAO) sustained the bid protests of Lockheed Martin Systems Integration-Owego (LMSI) and Sikorsky Aircraft Company against the corrective action undertaken by the Department of the Air Force in response to GAO's earlier decision, Sikorsky Aircraft Co.; Lockheed Martin Sys. Integration-Owego, B-299145 et al., Feb. 26, 2007, 2007 CPD ¶ 45, in which GAO sustained the protests of LMSI and Sikorsky against the Air Force's award of a contract to The Boeing Company under request for proposals (RFP) No. FA8629-06-R-2350, for the Combat Search and Rescue Replacement Vehicle (CSAR-X).

## BACKGROUND

The solicitation provided that for purposes of the source selection, cost/price would be calculated on the basis of the Most Probable Life Cycle Cost (MPLCC), including both contract and operations and support (O&S) costs. Thus, the solicitation provided for O&S costs to directly impact the overall evaluated cost. In addition, the solicitation requested detailed information quantifying the required maintenance for the proposed aircraft. The Air Force nevertheless normalized the cost of maintenance when calculating O&S costs, thereby ignoring the potentially lower cost of the protesters' asserted low maintenance helicopters.

In its February 2007 decision, GAO sustained the protests against the above evaluation on the basis that the Air Force's actual evaluation of MPLCC was inconsistent with the required approach as set forth in the solicitation. GAO recommended that the Air Force amend the solicitation to clarify its intent with respect to the evaluation of O&S costs, reopen discussions with offerors consistent with its decision, and then request revised proposals.

(See also Sikorsky Aircraft Co.; Lockheed Martin Sys. Integration-Owego--Request for Reconsideration, B-299145.4, Mar. 29, 2007, 2007 CPD ¶ 78, in which GAO found that additional protest grounds regarding areas other than the operations and support evaluation were without merit.)

## TODAY'S DECISION

In response to GAO's February 2007 decision, the Air Force amended the solicitation to eliminate consideration of the unique aspects of the proposed helicopters (including maintenance requirements) in calculating certain aspects of the evaluated MPLCC, substituting a subjective consideration of potential maintenance efficiencies for the prior direct impact upon evaluated cost, but nevertheless precluded offerors from generally revising their proposals (which had last been revised in September 2006).

GAO today sustained LMSI's and Sikorsky's protests against the agency's determination to preclude revisions to the proposals, on the basis that where, as here, an agency materially changes the solicitation's evaluation scheme, offerors must be given a reasonable opportunity to respond to the revised evaluation scheme.

In addition, GAO denied LMSI's and Sikorsky's protests against the terms of the agency's amended evaluation methodology, finding the methodology to be unobjectionable.

GAO recommended that the Air Force permit offerors to revise both the cost/price and non-cost/price aspects of their proposals in response to the new evaluation scheme. GAO further recommended that if the evaluation of revised proposals results in a determination that Boeing's proposal no longer represents the best value to the government, the agency should terminate its contract. GAO also recommended that LMSI and Sikorsky be reimbursed the costs of filing and pursuing their protests, including reasonable attorneys' fees.

This decision, which is subject to the terms of a protective order issued by our Office, contains protected information and is not for public distribution. We are preparing a version of the decision for public release and will provide you a copy if requested.

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