ARMED SERVICES BOARD OF CONTRACT APPEALS

Appeal of -	)	
	)	
Vectrus Systems Corporation	)	ASBCA No. 63420
	)	
Under Contract No. FA3002-18-C-0003	)	

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OPINION BY ADMINISTRATIVE JUDGE O'CONNELL

Appellant, Vectrus Systems Corporation (Vectrus), submitted a certified claim for $1,411,071, contending that the government provided negligent estimates in the solicitation for a contract at Sheppard Air Force Base. The Board conducted a three-day hearing in November 2024. Only entitlement is before us. The Board denies the appeal.

FINDINGS OF FACT

1. The Air Force issued a solicitation on July 11, 2017, to procure base operating services at Sheppard Air Force Base in Texas. The solicitation included firm-fixed-price contract line items (CLINs) for the work relevant to this appeal. (R4, tab 3 at 4-9)

2. The solicitation included a Performance Work Statement (PWS) that the Air Force amended several times (R4, tabs 4, 28, 30, 36, 38, 42, 55, 98). (The parties have generally cited the version at Rule 4, tab 42.)

3. Section 11 of the PWS is entitled "Operations & Maintenance (O&M)" (R4, tab 42 at 3). This section identifies the relevant work; describes the priority levels for the work; lists the historic workloads; and identifies how base personnel would obtain work.

Types of Work

4. Appendix 11.B.1 identified the following crafts or "cost centers" (described more fully below) in which the contractor would perform work:
(a) Pavements/Equipment; (b) Structures; (c) SMART; (d) Liquid Fuels;
(e) Entomology; (f) Utilities; (g) Exterior Electric; (h) Interior Electric; (i) Alarms/Controls; (j) Power Production; and (k) HVAC (R4, tab 42 at 172; tr. 1/145).

5. The Pavements/Equipment work included clearing snow, street sweeping, clearing airfield debris, and repairs of curbs or potholes (tr. 1/47).

6. Structures included maintaining, constructing, repairing, painting, and modifying structural systems and wooden, masonry, metal, and concrete buildings (R4, tab 42 at 155-56).

7. SMART is an acronym for structural maintenance and repair team (tr. 1/160). The team was "typically made up of one or two specialists and then a lot of general maintenance workers that didn't really have a specific trade. They could do minor plumbing or minor carpentry or things like that." (Tr. 1/176)

8. Liquid Fuels required the contractor to maintain, repair, and operate fuel systems, real property, and equipment, and to manage a corrosion control program that protected fuel lines and systems from leaks caused by corrosion (R4, tab 42 at 158).

9. Entomology required the contractor to control pests and wild animals (*id.* at 157-58).

10. Utilities included managing and performing all activities and functions related to electrical, water, and gas distribution systems as well as sewer/wastewater systems, storm drainage systems, plant operations, and associated tasks (*id.* at 156-57).

11. Exterior Electric involved all electrical work "from step-down transformers to the buildings;" Interior Electric included "anything from inside the buildings" (tr. 1/48).

12. Alarms/Controls required the contractor to maintain, install, and repair both security alarms and temperature and humidity controls (tr. 1/48-49; R4, tab 42 at 159).

13. Power Production required the contractor to maintain, remove, install, modify, operate, and repair renewable and non-renewable energy electrical power generating equipment and control systems (R4, tab 42 at 159).

14. HVAC involved maintaining, repairing, replacing and operating heating, ventilation, and air conditioning systems (*id.* at 158).

15. The contract work included plumbing but there is no cost center for plumbing. Thus, when plumbing work was performed it was recorded in one of the above categories (*see* findings 7, 45).

Workload from Prior Years

16. Appendix 11B.1 provided "WORKLOAD ESTIMATES" but stated that they were "for historical purposes only." In other words, they were not estimates as that word is commonly understood but simply the workloads in previous years. The data was divided into tables for FY 13, FY 14, and FY 15. (R4, tab 42 at 172-74) David Shurtz, the contracting officer's representative (COR), testified that the Air Force provided only historical data because "[h]istorical workload data is all we had. We didn't - - we were not able to predict the future." (Tr. 1/238)

17. Each FY table provided the workload for the incumbent contractor for each cost center at the following work priority levels: (a) Emergency (also referred to as Priority 1); (b) Recurring Work Program (RWP) (Priority 2A); (c) Urgent (Priority 3A); and (d) Routine (Priority 3B/3C) (R4, tab 42 at 172-74).

18. The contractor had to respond to Priority 1 (Emergency) tasks immediately during work hours and within 60 minutes after work hours. In either case it had to complete/eliminate the emergency within 24 hours after receipt of the service request. The PWS cited several examples of Priority 1 work including a roof leak directly impacting a facility mission and a broken stop sign at a major intersection. For Priority 3A (Urgent) tasks, the contractor had to respond within 24 hours and complete the work within seven calendar days. Examples of this work included repairing an electrical circuit to the avionics test station and repairing a broken fire detection system in the child development center. With respect to Priority 3B (Routine), the contractor had to complete 75% of the tasks within 30 days of receipt and the remaining 25% within 180 days. Such tasks included repairing HVAC in office space. For Priority 3C (Routine), the timeline was 60% complete within 30 days and 40% within 180 days. An example was repairing a broken window "in Club." (R4, tab 42 at 154, 175-76).

19. Priority 2A work was different from the other priorities in that it involved preventative maintenance (PM) rather than repair. In fact, Sheppard was implementing an Air Force initiative to change from RWP to PM. PM tasks would be performed pursuant to an Air Force approved PM Plan. (*Id.* at 154; tr. 1/211) The PWS stated that the data provided for the "[p]reventative maintenance program

workload history is based solely on past practice of accomplishing RWP inspections" and that the "workload is a historic documentation only" (R4, tab 42 at 172).

20. With respect to the Structures cost center, which, as discussed below is the largest cost center in dispute, the PWS listed FY 13 work orders and hours as follows:

Priority	Work Orders	Hours
Emergency	21	42
RWP	406	406
Urgent	397	1,106
Routine	1,837	9,672

(R4, tab 42 at 172)

21. The PWS provided the same information for the other cost centers in FY 13 and, similarly, provided the data for each cost center in FY 14 and FY 15 (*id.* at 172-74).

22. Appendix 11.B.1 referred bidders to a Technical Library for additional information (*id.* at 172). The Technical Library listed the work orders and hours for FY 16 in each cost center. It also compiled the FY 13 to FY 16 data in a single spreadsheet. (R4, tab 25)

23. As the above table for Structures in FY 13 demonstrates, there were many more Routine work orders than Emergency or Urgent (finding 20). However, over the four years for which there is data, it is otherwise difficult to identify workload trends. The Pavements/Equipment and Utilities Routine work orders went up every year but in different ways. The Pavements/Equipment Routine work orders increased modestly every year from 316 in FY 13 to 388 in FY 16 whereas the Utilities Routine work orders tripled from FY 13 to FY 14 but then increased slowly in FY 15 and FY 16. By contrast, Liquid Fuels and HVAC Routine work orders went down every year. The remaining seven cost centers had no consistent direction up or down. For example, Routine Exterior Electrical work orders in the FY 13 to FY 16 timeframe were 983, 780, 856, and 459, respectively. (R4, tab 25)

24. The Board finds that the solicitation demonstrated that there was a degree of natural variability in the work orders from year to year.

Preventative Maintenance

25. The Technical Library listed the tasks on the Preventative Maintenance Task List (PMTL), identified the buildings, components, and equipment that would be maintained, listed the ages of the buildings, components, and equipment, and stated the anticipated time it would take to perform tasks required by the PMTL (R4, tabs 42

at 172; 31 (Q&A T-91); Tr. 1/151, 230-32, 234-38; R4, tabs 20, 22-23, 25, 110-11; ex. G-5). As an example, the documents told bidders "when air conditioning systems were installed or last maintained" (tr. 1/152).

26. The Air Force did not gather information and analyze how the implementation of PM at other bases had affected the workload because it lacked the manpower to do so and because every base has different buildings and equipment (tr. 1/216-17).

Ordering Work

27. Customers at Sheppard would contact the contractor directly with their service requests (R4, tab 42 at 154, 160).

28. The contractor had discretion as to how it would classify the request with respect to the cost center and priority level. The process was subjective because the contractor would be relying upon how the customer described the problem. While the Air Force could monitor the contractor, the sheer volume of requests (an average of about 28,000 per year from FY 13 to FY 15) made close supervision difficult and the Air Force was more concerned with whether the work was done than how it was classified. (Tr. 1/62, 181, 196; ex. G-1)

Contract Award

29. Vectrus submitted an initial proposal on September 8, 2017 (R4, tab 32) and submitted its final proposal revisions on April 10, 2018 (R4, tab 43). In support of its proposal, Vectrus cited as relevant past performance a contract at Maxwell Air Force Base where it had already performed the Air Force PM program (R4, tab 49 at 19-21). Vectrus represented that at Maxwell it had developed what it called "Vectrus' Enhanced PM Program" that was based on and used the Air Force PM Program. Vectrus represented that this program increased PM work and reduced repair work orders. Specifically, Vectrus represented that at Maxwell it had increased service hours allocated to PM work by 80% and had reduced emergency work orders by 55% and urgent work orders by 35%. (R4, tab 32 at 6; tab 39 at 13-14)

30. The Air Force awarded Vectrus the above-captioned contract on May 24, 2018 (R4, tab 54 at 1). The contract included a base period from October 1, 2018, to August 31, 2019, at a price of $9,240,155, and option years that included option year 1 (OY 1) from September 1, 2019 to August 31, 2020 and OY 2 from September 1, 2020 to August 31, 2021 (*id.* at 1, 89-93). The contract incorporated the Technical Library (*id.* at 120).

Claim Submission

31. On April 11, 2022, Vectrus submitted a certified claim for $1,411,071. It contended that there had been an "increase in actual workload experienced above and beyond the workload data the government included in the contract for" OY 1 and OY 2. It contended that the government estimate was negligent. The claim sought $654,586 for OY 1 and $756,485 for OY 2. (R4, tab 68 at 1) Vectrus did not seek additional costs for the base year.

32. Vectrus sought most of the increase in the Structures cost center. Vectrus sought $506,863.83 in OY 1 for Structures and $494,992.43 in OY 2. Vectrus also sought increases in Exterior Electrical, Interior Electrical, Entomology, Power Production, and Utilities[1]. (R4, tab 69 at spreadsheet tab (e) Data)

Vectrus's Claim Calculation Methodology

33. Vectrus did not contend that the overall workload had increased, nor that the workload in individual cost centers had increased. Instead, Vectrus analyzed each cost center at the four priority levels. Vectrus calculated the average number of work orders in a cost center at the priority level (for example, Structures, Priority 3B/3C (Routine)) from FY 13 to FY 15. If the work orders in OY 1 or OY 2 exceeded the FY 13 to FY 15 average by more than 10%, it sought additional compensation. (R4, tab 69 at spreadsheet tab h-2 (PWS vs. Actual Workload); app. proposed finding of fact (APFOF) 82). Vectrus did not factor the FY 16 data in its analysis.

34. Calculating the claim in this manner led to some anomalies. For example, Vectrus sought additional money in OY 1 (but not OY 2) for Power Production at the Routine (3B/3C) priority level. The PWS listed the following Routine Power Production work orders:

FY 13 = 111
FY 14 = 158
FY 15 = 176

Vectrus calculated the average of the three years, which is 148.33 work orders. Vectrus performed 174 Routine Power Production work orders in OY 1. While that

[1] For OY 1, the claim seeks a total of $55,623.80 for Exterior Electrical, Interior Electrical, Entomology, Power Production, and Utilities. In OY 2 the claim seeks $124,642.09 in these cost centers. The balance of the claim is for administrative support for opening and closing the additional work orders and warehouse staff. Accordingly, it appears that about 90% of the claim in OY 1 relates directly or indirectly to Structures and about 80% in OY 2.

was within the range of 111 to 176 work orders in FY 13 to FY 15, it was more than 10% higher than the average of 148.33. According to Vectrus, work orders above this threshold made the government's estimate negligent with respect to OY 1. (R4, tab 69 at spreadsheet tab h-2 (PWS vs. Actual Workload))

35. Moreover, ignoring the FY 16 data skewed the result. If Vectrus had reviewed the FY 16 data it would have seen that the prior contractor had recorded 171 Routine Power Production work orders in FY 16 (R4, tab 25). Thus, with the prior contractor having recorded 176 and 171 work orders in the two most recent years for which data was available, the Board is not surprised that Vectrus performed 174 work orders in OY 1.

36. Further, because work orders exceeding 10% of the average was the triggering event for entitlement, Vectrus sought additional money even if the number of work hours declined. The claim represented that the PWS showed an average of 1,147 work hours per year from FY 13 to FY 15 to perform the Routine Power Production work orders. In OY 1, Vectrus recorded only 508 hours to perform the 174 work orders, fewer than half of the average shown in the PWS. Nevertheless, Vectrus claimed entitlement to payment for 74.93 "Excess Hours." (R4, tab 69 at spreadsheet tab h-2 (PWS vs. Actual Workload))

37. Overall, total work orders and work hours for all cost centers declined in OY 1 and OY 2 compared to the FY 13 to FY 15 averages in the PWS. The PWS showed a FY 13 to FY 15 average of 27,996 work orders. Vectrus recorded 21,721 work orders in OY 1 and 24,492 work orders in OY 2. The PWS showed a FY 13 to FY 15 average of 109,323 work hours. Vectrus recorded 66,718.3 hours in OY 1 and 62,185.6 hours in OY 2. (Ex. G-1)

38. Work orders in many of the cost center priority levels declined significantly even though Sheppard has "hundreds" of buildings and "hundreds of thousands of components" (tr. 1/41, 261).

39. This raises a question as to whether there were actual increases in discrete portions of the work (at the cost center priority level), or if the increases were simply due to how Vectrus classified the work compared to the prior contractor. As noted above, the contractor had discretion as to how it classified service requests (finding 28). Among other things, classifying a task as Routine rather than Urgent would give the contractor significantly more time to complete the work, meaning that there was an incentive to do so. COR Shurtz testified credibly that Vectrus did, in fact, classify more work as Routine (tr. 1/204, 243).

40. The solicitation showed the following Urgent Structures work orders:

FY 13 = 397
FY 14 = 758
FY 15 = 796
FY 16 = 739

(R4, tab 25)

41. Thus, in the last three years for which there is data, the Urgent Structures work orders were in a relatively narrow range of 739 to 796. Under Vectrus, the Urgent Structures work orders plummeted to 10 in OY 1 and 5 in OY 2 (R4, tab 69 at spreadsheet tab h-2 (PWS vs. Actual Workload)). But there is no evidence that the types of work requests previously classified as Urgent Structures work almost disappeared at Sheppard. Notably, the Routine Structures work under Vectrus showed large increases, more than 3,000 work orders per year, compared to FY 13 to FY 16 (*id.*; R4, tab 25) This suggests that work previously classified as Urgent was simply labeled as Routine under Vectrus.

42. Vectrus also made decisions with respect to the Liquid Fuels and Utilities cost centers that affected Structures. The PWS showed an average of 117.33 work orders in FY 13 to FY 15 for Routine Liquid Fuels work. (There is no entry for FY 16). Under Vectrus in both OY 1 and OY 2, the Routine Liquid Fuels work orders went to zero. (R4, tab 69 at spreadsheet tab h-2 (PWS vs. Actual Workload)) But this work did not vanish. COR Shurtz testified credibly that Vectrus performed this work under the Utilities category (tr. 1/245).

43. Despite the influx of the Liquid Fuels work, the Utilities work at the Urgent and Routine priority levels also declined sharply under Vectrus. The solicitation showed the following work orders for Urgent Utilities work:

FY 13 = 294
FY 14 = 1,552
FY 15 = 1,370
FY 16 = 1,090

R4, tab 25) Under Vectrus, the Urgent work orders dropped to 2 in OY 1 and 2 in OY 2. (R4, tab 69 at spreadsheet tab h-2 (PWS vs. Actual Workload))

44. The solicitation showed the following work orders for Routine Utilities work:

FY 13 = 830
FY 14 = 2,616
FY 15 = 2,675
FY 16 = 2,974

(R4, tab 25) Under Vectrus the Routine Utilities work orders dropped to 355 in OY 1 and 411 in OY 2. (R4, tab 69 at spreadsheet tab h-2 (PWS vs. Actual Workload))

45. One explanation for this is that Vectrus started using plumbers who had previously worked under other cost centers such as Utilities and moved them to Structures. When Vectrus was preparing the claim, Vectrus's program manager was warned that the employee who had collected the data had "combine[d] interior plumbers under structures so that makes the numbers look higher . . . ." He brushed off this warning, however, because he was under the mistaken impression that "[t]he numbers are up all across the various categories" and that it did not matter where interior plumbers were counted. (R4, tab 101 at 1; tr. 1/101-03, 255)

46. Finally, there is SMART. After FY 13, when the prior contractor performed 4,889 Routine SMART work orders, it sharply reduced work in this category. Nevertheless, in FY 15 that contractor still performed 257 work orders (requiring 5,831 hours) and in FY 16 performed 162 work orders (requiring 948 hours). (R4, tab 25) The COR testified credibly that under Vectrus this work was absorbed into other cost centers, primarily into Structures, with a "very minor" amount in Electrical and Utilities (tr. 1/246).

47. Accordingly, while the single biggest component of Vectrus's claim is an increase of more than 3,000 work orders per year in Routine Structures work (amounting to 11,492.7 of the 13,279.02 hours claimed in OY 1), there are compelling reasons to conclude that much or all of it arises simply from how Vectrus, utilizing the discretion granted to it by the Contract, classified work requests or chose to perform the work (R4, tab 69 at spreadsheet tab h-2 (PWS vs. Actual Workload).

48. With respect to the PM (Priority 2A) work, Vectrus sought increases for Entomology, Exterior Electrical, Interior Electrical, Power Production, Structures, and Utilities (R4, tab 69 at spreadsheet tab h-2 (PWS vs. Actual Workload). Vectrus has not provided any analysis as to how the tasks performed in OY 1 and OY 2 differed from the list of PM tasks provided in the Technical Library (*see* finding 25).

49. Vectrus does not explain how it reconciled the alleged increases in workload with its bid plan to increase the PM work and decrease repair work (finding 29). The data suggest that Vectrus achieved this goal.

50. For example, in the Entomology cost center there were zero Priority 2A (RWP) tasks for the prior contractor from FY 13 to FY 15 (with no entry for FY 16). Under Vectrus the PM tasks did increase: to 23 in OY 1 and 151 in OY 2. But the increase in PM corresponds to a reduction in repair tasks: Urgent Entomology work orders ranged from 59 to 126 in FY 13 to FY 16; under Vectrus they dropped to zero in OY 1 and zero in OY 2. Routine Entomology work orders ranged from 1,055 to 1,518 in FY 13 to FY 16; under Vectrus they dropped to 575 in OY 1 and 716 in OY 2. (R4, tabs 25, 69 at spreadsheet tab h-2 (PWS vs. Actual Workload))

51. Exterior Electric also showed large declines in Urgent and Routine work orders. Interior Electric showed a sharp decrease in Urgent work orders and a smaller decline in Routine work orders. As already discussed, Urgent Utility work orders almost disappeared and Routine work orders declined sharply. (R4, tabs 25, 69 at spreadsheet tab h-2 (PWS vs. Actual Workload))

52. The contracting officer (CO) denied the claim on June 29, 2022 (R4, tab 70 at 1). Vectrus filed a timely appeal on September 23, 2022.

DECISION

"A contractor can recover damages from the government for increased costs it incurred in performing a contract under a negligent estimate theory, which requires the contractor to show by preponderant evidence that the government's estimates were 'inadequately or negligently prepared, not in good faith, or grossly or unreasonably inadequate at the time the estimate was made.'" *Agility Def. & Gov't Servs., Inc. v. United States*, 847 F.3d 1345, 1350 (Fed. Cir. 2017) (quoting *Medart, Inc. v. Austin*, 967 F.2d 579, 581 (Fed. Cir. 1992)). The government may provide historical data in the solicitation, but doing so does not make the estimate per se reasonable. *Id.* at 1351. A significant discrepancy between the estimate and actual purchases does not ordinarily give rise to liability if the government acted with reasonable care in preparing the estimate. *Medart*, 967 F.2d at 581.

Vectrus makes two arguments: (1) that the estimate was negligent because the only information that the Air Force included in the PWS was the FY 13 to FY 15 data and it made no effort to validate whether that information provided a reasonably accurate estimate for the future; and (2) that the Air Force was negligent because it did not do more to determine how the change from RWP to PM would impact the workload.

A. The FY 13 to FY 15 Data

Vectrus contends that the Air Force estimate provided bidders only "outdated" information (app. br. at 26). It contends that the PWS "only contained historical workload data from FY 2013 through FY 2015" and that the "Air Force had access to historical workload for FYs 2016, 2017, and a portion of 2018 at the time the final solicitation was issued but nonetheless failed to incorporate it into the tables" in the PWS (*id.* at 26-27).

While it is true that the PWS contained only the FY 13 to FY 15 data, Vectrus treats the FY 16 data as if it did not exist because it was only in the Technical Library (findings 16, 21-22). We do not believe that the FY 16 data can be ignored. The PWS referred bidders to the Technical Library (*id.*) and Vectrus signed a contract incorporating the Technical Library (finding 30). It would have been wise to see what was in the Technical Library before executing the contract. We will consider this appeal in the context of the Air Force having provided bidders the workload for FY 13 to FY 16.

When the Air Force issued the solicitation in July 2017 (finding 1), FY 16 was the last full year for which the Air Force had data. The only data set missing at that point was the partial year of FY 17. In *Medart*, on a contract for the provision of storage cabinets, the government provided bidders only the number of units ordered during the prior fiscal year, not the partial fiscal year during which the contract was solicited and awarded. *Medart*, 967 F.2d at 580. The Court found the provision of a single fiscal year to be sufficient, holding that the "government used information that was reasonably available; it need not search for or create additional information." *Id.* at 582.

Based on *Medart*, the Board holds that the solicitation in this appeal was reasonably up to date when it was issued. However, what distinguishes this matter from *Medart* is that by the time the Air Force awarded the contract in May of 2018, it presumably had the data for all of FY 17 (finding 30).

Vectrus presents its argument such that the mere failure to provide the FY 17 data is dispositive and it need not show that the 2017 data contained materially different information. Vectrus has not provided the Board any of the FY 17 data. In fact, the Air Force has represented that Vectrus showed little interest in even obtaining the FY 17 data in discovery (gov't resp. to APFOF ¶ 23), which Vectrus has not disputed. Accordingly, there is no way of knowing if the FY 17 data (and the partial year of FY 18) was redundant of the four years provided or whether it contained significant new information.

The problem for Vectrus is that in the cases where the contractor prevailed, there was undisclosed information (or a government mistake) that would impact the workload and, thus, the bid prices. In *Agility Defense*, on a contract to dispose of surplus military property, the agency informed bidders that it projected the workload to be steady for two years and then decline. But the contractor was overwhelmed with work from the start. The agency's representation about the workload was inaccurate because it knew about planned troop movements and a surge of equipment that would require disposal. The Federal Circuit held that the agency should have based its estimate on the anticipated surge. *Agility Def.*, 847 F.3d at 1352.

In *Hi-Shear Tech. Corp. v. United States*, 356 F.3d 1372 (Fed. Cir. 2004), the agency awarded a contract to provide spare parts for a circuit switch. In estimating the monthly demand for parts, the agency failed to take into account parts that were on hand at the time of the estimate, as well as incentives for field units to return defective or damaged parts. As a result, the government ordered only a fraction of the parts in the estimate. *Id.* at 1374-75. The Federal Circuit upheld the trial court's damages award. *Id.* at 1383.

In *Rumsfeld v. Applied Cos.*, 325 F.3d 1328 (Fed. Cir. 2003), *cert. denied*, 124 S.Ct. 462 (2003), the agency made a mistake in calculating its expected need for refrigerant storage cylinders. It represented its need at 120,000 cylinders but the correct calculation was less than 4,000. While the agency discovered the mistake long before award, it failed to tell the contractor until two months afterwards. *Id.* at 1331-32. The Federal Circuit upheld the Board's determination that the agency had breached the contract, and that the contractor was entitled to damages. *Id.* at 1335.

In *Chem. Tech., Inc. v. United States*, 645 F.2d 934 (Ct. Cl. 1981), on a contract to provide food services to a base, the agency knew that four reserve battalions might be training at the facility and, if so, would need to be fed. *Id.* at 940-41. The Court of Claims held that there were multiple ways that the agency could have addressed this but that the only one that was unacceptable was the one it had chosen: to omit any provision in the solicitation for the reservists. *Id.* at 946.

Finally, *Womack v. United States*, 389 F.2d 793 (Ct. Cl. 1968), involved a contract for transposing information contained in a Control Document Index onto title and use plats. The specifications estimated that this index would consist of 65,000 index cards that were being created by another company, but the awardee eventually found that there were 105,000 cards. The Court of Claims found that the agency had enough information in both its own records and in the records of the company preparing the index that, if it had exercised reasonable care, it would have known of the error in the estimate. *Id.* at 795-800.

The Board opinions cited by Vectrus are similar. *Burnham Assocs., Inc.*, ASBCA No. 60780, 18-1 BCA ¶ 36,934 at 179,940-41, involved a contract to dredge rock from a harbor. The agency provided estimates derived from a survey, but neglected to inform offerors that it had conducted a second survey that showed lower quantities, a survey that it would later use for calculating payable quantities. In *S.P.L. Spare Parts Logistics, Inc.*, ASBCA Nos. 51118, 51384, 02-2 BCA ¶ 31,982, the government provided an estimate for the number of new roadwheels it would purchase for combat vehicles. It failed to tell bidders that it had a policy of using rebuilt wheels when possible (and that it had already ordered some before award). It also failed to tell bidders that the number of wheels that it needed would be reduced because of a change in density of the M60 tank. *Id.* at 02-2 BCA ¶ 31,982 at 158,079.

As for Vectrus's related contention that the Air Force should have done more to determine if the information provided in the PWS was a reasonably accurate estimate for the contract, we have already observed that the Federal Circuit approved the government providing historical data in *Medart*. The Air Force paired the historical data with information about the buildings, components, and equipment (finding 25). We see no reason why this is not permissible.

As COR Shurtz testified, the Air Force could not predict the future when it was preparing the solicitation, and the historical data was all it had (finding 16). We see no way for the Air Force to predict how many roof leaks, broken stop signs, electrical circuits, or broken windows there would be in the future (finding 18). While it is true that each year the buildings and equipment would be a little older, the Air Force provided the ages of the buildings and equipment and let the bidders make their own decisions as to how that would affect the workload (finding 25).

Accordingly, the Board finds that there is no evidence that making the FY 17 data available would have made any difference to bidders, nor is there any evidence that there was reasonably available information from which the Air Force could estimate future work. Accordingly, the Board finds that Vectrus has not shown that providing only the FY 13 to FY 16 data was negligent.

B. The Effect of Changing from RWP to Preventative Maintenance

With respect to PM, Vectrus contends that the Air Force should have attempted to determine how the switch from RWP to PM would change the workload. It also contends that the Air Force should have analyzed how the switch to PM changed the workload at other bases.

In *Medart*, as already stated, the Federal Circuit rejected the argument that the agency had to do more than provide historical data. *Medart*, 967 F.2d at 581. However, it also rejected the contractor's contention that the agency should have

"contacted or polled end-users about their projected needs and budgets, considered the use of statistical formulas such as regression analysis, used more than one year's ordering history, and checked the effectiveness of its estimating procedure based on past performance." *Id.* at 581. The Court held that these and other approaches "might have improved the accuracy of the government estimates, but their mere existence does not mean the approach selected was not reasonable." *Id.* at 581-82. The Court held that it was enough for the agency to use the information readily available; it did not need to search for or create additional information. *Id.*

The *Medart* analysis is directly on point. If the Air Force had unlimited resources, it perhaps could have analyzed how the implementation of PM had proceeded at other bases and then adjusted that analysis based on how the hundreds of buildings and hundreds of thousands of components at Sheppard compared to those at the other bases. Similarly, it could have performed a more detailed analysis that compared and contrasted the Preventative Maintenance Task List with the tasks in RWP and projected how the work would change. However, based on *Medart*, we hold that it was enough for the agency to provide the historical workload under RWP and to provide bidders with the Preventative Maintenance Task List along with detailed information about the building and components (finding 25). We also observe that Vectrus in its proposal touted its experience performing PM and it was likely in as good or better position as the Air Force personnel at Sheppard to understand how the transition to PM would unfold (finding 29).

Accordingly, the Board holds that Vectrus has not shown that the government was negligent in providing only the FY 13 to FY 16 RWP data, along with the items on the Preventative Maintenance Task List and information about the buildings, components, and equipment.

C. Cases Involving Requirements Contracts are Applicable to this Contract

After relying on requirements contract cases such as *Womack* and *S.P.L. Spare Parts* in its opening brief, Vectrus pivots in its reply brief, contending that requirements contract cases are "are inapposite to estimates for [firm-fixed-price] contracts like this Contract" (app. reply br. at 3). Vectrus does not advocate that we depart from this line of cases in their entirety; its main goal is to avoid the holding in *Medart* that the agency can rely on historical data. However, it cites no authority that would support such a ruling by the Board.

In *Medart*, the Federal Circuit cited Federal Acquisition Regulation (FAR) Part 16, Types of Contracts. Specifically, the Court cited FAR 16.503, Requirements Contracts. *Medart*, 967 F.2d at 582. This regulation requires the agency to provide an estimate in the solicitation for a requirements contract and authorizes the use of historical data:

> For the information of offerors and contractors, the CO shall state a realistic estimated total quantity in the solicitation and resulting contract. This estimate is not a representation to an offeror or contractor that the estimated quantity will be required or ordered, or that conditions affecting requirements will be stable or normal. The CO may obtain the estimate from records of previous requirements and consumption, or by other means, and should base the estimate on the most current information available.

FAR 16.503(a)(1).

As Vectrus observes, this regulation does not apply to firm-fixed-price contracts (app. reply br. at 7). The problem for Vectrus, however, is that the corresponding regulations in FAR Part 16 that govern firm-fixed-price contracts, FAR 16.202-1 and 16.202-2, do not contain a specific requirement for the agency to include an estimate in the solicitation. Vectrus asks the Board to treat firm-fixed-price contracts like requirements contracts in the sense that placing an estimate in the solicitation is required, but to treat them differently by barring the use of historical data to provide that estimate. While the Board believes that it is appropriate to hold the agency to a standard of reasonable care if it provides an estimate in the solicitation, there is no basis for the Board to bar the agency from using historical data.

D. Vectrus has not Proven that the Work Increased

Vectrus's claim methodology has multiple flaws. The Board sees no reason why simply exceeding the FY 13 to FY 15 average by more than 10% is actionable. As the Board has found, this allowed Vectrus to make a claim for work orders that were within the range contained in the historical data. (Finding 34) Similarly, the Board sees no basis for Vectrus to ignore the FY 16 data in calculating the claim (finding 33). We also conclude that it is not appropriate for Vectrus to claim for "Excess Hours" when the total hours were actually less than those in the solicitation (finding 36).

As for the discrete work order increases at the cost center priority level, assuming without deciding that this is a proper basis for a claim in a firm-fixed-price contract, Vectrus has not proven by preponderant evidence that the workload actually increased. The weight of the evidence leads to the conclusion that Vectrus took advantage of its discretion by classifying more work as routine and giving itself more time to complete that work (findings 39-41). We see no other explanation for the sharp drop in Urgent work in Structures (finding 41). We also conclude that at least some of the Routine Structures work order increases were due to the inclusion of

plumbing work in Structures that had previously been included under other costs, as well as the inclusion of work previously included in SMART (findings 44-46).

Finally, with respect to the alleged increase in Preventative Maintenance (PM), as we have found, Vectrus's plan was to increase that work with the goal of decreasing repair work (finding 29). While the PM work involved more work orders than the previous contractor did while performing RWP, Vectrus succeeded in reducing the repair work (findings 49-51). The Board sees no basis to conclude that the work increased from what Vectrus planned to do from the start.

Accordingly, Vectrus has not proven that the workload increased compared to the solicitation.

CONCLUSION

The appeal is denied.

Dated: May 11, 2026

MICHAEL N. O'CONNELL
Administrative Judge
Vice Chairman
Armed Services Board
of Contract Appeals

I concur

J. REID PROUTY
Administrative Judge
Acting Chairman
Armed Services Board
of Contract Appeals

I concur

DAVID B. STINSON
Administrative Judge
Armed Services Board
of Contract Appeals

I certify that the foregoing is a true copy of the Opinion and Decision of the Armed Services Board of Contract Appeals in ASBCA No. 63420, Appeal of Vectrus Systems Corporation, rendered in conformance with the Board's Charter.

Dated:

PAULLA K. GATES-LEWIS
Recorder, Armed Services
Board of Contract Appeals