

The following is a statement from Ralph O. White, Managing Associate General Counsel for Procurement Law, GAO, regarding today's decision resolving the protest filed by The Boeing Company, B-412441, February 16, 2016

On February 16, 2016, the U.S. Government Accountability Office (GAO) denied a protest filed by The Boeing Company, Defense, Space & Security, of St. Louis, Missouri, challenging the Department of the Air Force's award of a cost reimbursement contract to Northrop Grumman Corporation, of Redondo Beach, California, for engineering and manufacturing development, and early production, of the Long Range Strike Bomber. Boeing argued that the Air Force's evaluation was fundamentally flawed with respect to the assessment of the offerors' proposed costs, and the technical evaluation of Northrop's proposal.

The current contract for the Long Range Strike Bomber is comprised of two parts--the Engineering and Manufacturing Development phase and the subsequent options for the production of the first 21 aircraft. As initially announced by the Air Force, the Engineering and Manufacturing Development phase has an estimated value of \$21.4 billion in 2010 dollars. The Air Force has not provided a public figure for the production cost of the first 21 planes, and the total cost of this contract is classified. The Air Force has explained that "the fixed price production award supports the average per unit cost of \$511 million per aircraft (stated in 2010 dollars with a production purchase of 100 aircraft)."

GAO reviewed the challenges to the selection decision raised by Boeing and has found no basis to sustain or uphold the protest. In denying Boeing's protest, GAO concluded that the technical evaluation, and the evaluation of costs, was reasonable, consistent with the terms of the solicitation, and in accordance with procurement laws and regulations.

The details of Boeing's challenges, and GAO's decision resolving them, are classified and covered by the terms of a protective order issued by GAO for the protest. Accordingly, this decision must undergo a security classification review by the Air Force, and is not available for public release.

For more information, please contact Ralph O. White at 202-512-8278, Kenneth E. Patton at 202-512-8205, or Chuck Young at 202-512-4800. More information about GAO's Bid Protest process is also available on the GAO website.

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