



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

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Matter of: Professional Software Engineering, Inc.

File: B-272820

Date: October 30, 1996

Daniel R. Weckstein, Esq., and Howard W. Roth III, Esq., Vandeventer, Black, Meredith & Martin, LLP, for the protester.

William A. Roberts III, Esq., Lee P. Curtis, Esq., and Brian A. Darst, Esq., Howrey & Simon, for Information Management Consultants, Inc., an intervenor.

Phillipa L. Anderson, Esq., Dennis Foley, Esq., and Philip Kauffman, Esq., Department of Veterans Affairs, for the agency.

Susan K. McAuliffe, Esq., and Michael R. Golden, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest alleging that agency failed to conduct meaningful discussions with protester is denied where discussion question reasonably led protester into area of its technical proposal that needed amplification.
2. Protest against award to other than the low-cost offeror is denied where award to higher-rated, higher-cost offeror was permissible under solicitation and agency reasonably determined overall technical superiority and lower risk of awardee's proposal justified payment of cost premium.

DECISION

Professional Software Engineering, Inc. (Prosoft) protests the award of a contract to Information Management Consultants, Inc. (IMC) under request for proposals (RFP) No. 101-53-95, issued by the Department of Veterans Affairs, Veterans Benefits Administration (VBA) for software development, systems maintenance, and related support services to assist VBA in modernizing its computerized systems for administering monetary benefits to veterans and their families. Prosoft protests the agency's evaluation of its proposal, the agency's alleged failure to conduct meaningful discussions, and the agency's cost/technical trade-off decision.

We deny the protest.

The RFP, issued in September 1995, contemplated the award of two indefinite-delivery, indefinite-quantity contracts, one through full and open competition and one through competitive negotiations with firms in the Small Business Administration's 8(a) program; this protest concerns the latter award. The contract is for 1 base year and 4 option years; contract performance is to be accomplished through the issuance of task orders during the contract term.

Section L and section M of the RFP advised offerors that they must demonstrate in their technical proposals an understanding of all requirements and a capability to provide the required services. Offerors were informed by the RFP that the information in their technical proposals would be the basis for the technical evaluation, were instructed of the importance of proposal clarity and completeness, and informed of the requirement for a detailed description of how each offeror would fulfill each requirement.

Section M (incorporating section L) of the RFP set forth the following technical evaluation factors for award, listed in descending order of importance: technical excellence; personnel qualifications; and management strength. Subfactors for each evaluation factor were also set out in the RFP. A management strength subfactor was project management, which encompassed an offeror's proposed quality assurance program; offerors were instructed to provide "proof of adequate quality assurance capability as required during performance of the [c]ontract."¹

The RFP provided that technical factors were more important than cost and that the agency could award a contract to other than the lowest-priced, technically acceptable offeror if the technical merit of the offeror's proposal justifies the additional cost; the RFP advised offerors that the degree of the importance of cost would increase as proposals became more equal in technical merit. A color code rating system (including, in descending order, blue, green, yellow, and red) was to be used by the technical evaluators for each factor; the evaluators were also to provide accompanying narrative rationale.² Each proposal was also to be assessed

¹For the project management subfactor, offerors were to describe the "proposed approach to assure quality control over work performed (e.g., workpapers, reports) and to assure compliance with any required Federal and Commercial ADP [automated data processing] Standards and GSA standards; and corrective measures for work that does not meet quality expectations."

²The agency's source selection plan describes the following color code rating system. Blue "[e]xceeds the evaluation standards and has high probability of satisfying the requirement; and has no significant weaknesses." Green "[m]eets the evaluation standards and has good probability of satisfying the requirement; and any
(continued...)

for its perceived implementation risk (high, medium or low). Under the RFP's "best value" terms, award was to be made to the offeror determined to have submitted the proposal considered most advantageous to the government, all factors considered.

Seven proposals were received for the competitive 8(a) award and were evaluated. Four proposals, including those submitted by Prosoft and IMC, were included in the competitive range for discussions. After discussions, revised proposals and best and final offers were received and evaluated. Prosoft's proposal (evaluated at \$ [DELETED]) was rated green overall (with a rating of blue for technical capability, yellow for personnel, and yellow for management strength); Prosoft's proposal was assessed as having a moderate to high implementation risk. IMC's proposal (evaluated at \$ [DELETED]) was the only proposal rated blue overall (with a rating of blue for technical capability, green for personnel, and blue for management strength); the IMC proposal was assessed as having a low implementation risk.

The contracting officer, in comparing the relative merits of the two proposals, determined that IMC's proposal offered the best value, and thus was most advantageous, to the government despite its [DELETED] percent higher cost. In his source selection decision, the contracting officer focused on the IMC proposal's higher-rated personnel and management strength. The agency awarded the contract to IMC on June 13. Following its receipt of two written debriefing responses from the agency, in which the agency mentioned, among other things, a lack of detail in the quality assurance portions of the protester's proposal, as well as a perceived lack of attention to project quality assurance (due to several typographical, grammatical, and graphical errors in the protester's proposal), Prosoft filed this protest.

Technical Evaluation

Prosoft principally complains that the agency improperly downgraded its proposal for project management. The protester contests the finding of a lack of detail and contends that the agency's consideration of typographical errors in the proposal as

²(...continued)

weaknesses are readily correctable." Yellow is "[m]arginal" where the proposal "[f]ails to meet evaluation standards; or has a low probability of satisfying the requirement; or has significant weaknesses but they are correctable." Red "[f]ails to meet a minimum requirement."

being illustrative of the firm's quality assurance capabilities was improper because the RFP did not identify typographical errors as an evaluation criterion.³

Where an evaluation is challenged, we will examine the agency's evaluation to ensure that it was reasonable and consistent with the evaluation criteria. Teledyne Brown Eng'g, B-258078; B-258078.2, Dec. 6, 1994, 94-2 CPD ¶ 223. Evaluating the relative merits of competing proposals is a matter within the discretion of the contracting agency since the agency is responsible for defining its needs and the best method of accommodating them, and it must bear the burden resulting from a defective evaluation. Advanced Technology and Research Corp., B-257451.2, Dec. 9, 1994, 94-2 CPD ¶ 230. Consequently, we will not reevaluate proposals, but instead will examine the agency's evaluation to ensure that it was reasonable and consistent with the stated evaluation factors and applicable statutes and regulations. See Orion Research, Inc., B-253786, Oct. 21, 1993, 93-2 CPD ¶ 242. The fact that the protester disagrees with the agency's conclusion does not itself establish that the agency acted unreasonably. Global Assocs., Ltd., B-256277, June 6, 1994, 94-1 CPD ¶ 347.

The quality assurance sections of Prosoft's proposal were criticized for making "no reference to Federal/Commercial ADP standards nor how they would go about correcting errors" and several sections were found to merely reiterate the RFP

³In its comments responding to the agency report on the protest, Prosoft also challenges the evaluation of its proposal under the personnel qualifications factor. Prosoft contends that the evaluation record supports a higher rating (green rather than yellow) for the firm's proposed personnel since IMC's proposal, which was rated green for personnel, received only a slightly higher, if not equal, rating when the "checks" and "pluses" are added for each proposal. We have reviewed the agency's evaluation documents and the two firms' personnel proposals. The evaluation narrative, which was required by the agency's source selection plan and which, we believe, is a more meaningful representation of the evaluators' findings since color ratings provide only a general description, reflects that Prosoft's personnel were considered acceptable, with no significant strengths or weaknesses; the evaluators had noted some concerns regarding a lack of or limited relevant experience for certain personnel. Given the noted acceptability of Prosoft's proposed personnel, and the source selection plan's definitions, quoted above, for the evaluation color codes, we agree with the protester that the record reasonably supports a green rating for Prosoft's proposal under the personnel qualifications factor. The record further shows, however, that IMC's personnel offered more overall relevant experience and educational qualifications and that the agency considered IMC's personnel superior to Prosoft's for this reason. Having fully reviewed the evaluation documents, we have no basis to disagree with this assessment.

requirements without any information as to "how they would do an activity." The evaluators, noting several typographical errors and inaccurate graphic presentations, also pointed out that "[t]he [o]fferor talks about their TQM [total quality management] program and their emphasis on quality, yet their proposal presentation doesn't support that." The evaluators concluded that the "overall quality control issues significantly weakens [Prosoft's] presentation." Based upon the lack of detail in this part of the proposal, coupled with the noticeable textual errors in the proposal which gave the agency further doubt as to the adequacy of the proposed quality assurances, Prosoft's proposal was rated marginal for management strength and as having a moderate to high implementation risk.

In its comments on the agency report, the protester states its disagreement with the evaluators' findings and asserts that its proposal provided sufficient detail. Our review of the record, however, including a comparative review of the proposals, confirms the reasonableness of the evaluators' findings of a significant lack of detail regarding the proposed quality assurance procedures. Much of the management strength portion of the protester's proposal, especially regarding quality assurance, simply restates portions of the RFP's detailed description of the contractor's responsibilities. Additionally, our review of the proposal confirms the fundamental lack of specificity in proposed approach; for instance, the proposal repeatedly provides, only in general terms, that the firm will "identify," "plan," and "review" in the "most efficient manner" without describing (such as through the use of examples, lists of the exact quality assurance activities to be performed, or otherwise) what procedures will be followed in performance of the contract's quality assurance requirements. Thus, we think the agency could reasonably view Prosoft's proposal as it did.

We also are not persuaded by Prosoft's contention that the evaluators' consideration of typographical/textual errors in the firm's proposal was improper. The record does not show, as the protester contends, that the firm failed to receive the award solely because of typographical errors in its proposal; as discussed above, the primary concern was Prosoft's failure to provide sufficient detail in describing its proposed quality assurance procedures. We believe the errors here were reasonably considered in light of the agency's concerns with the adequacy of the firm's quality assurance proposal; the RFP specifically requires the preparation of high-quality written report deliverables necessitating skills not readily apparent from Prosoft's own proposal documentation. In sum, given the agency's concerns about Prosoft's proposed approach to quality assurance, and the contract requirements to prevent document errors, we believe consideration of the errors here in terms of quality assurance was reasonably related to the stated evaluation criteria. See General Exhibits, Inc., B-258979, Feb. 22, 1995, 95-1 CPD ¶ 113.

Discussions

Prosoft next protests that the agency failed to conduct meaningful discussions with the firm since it was not told of the agency's concerns regarding the typographical errors in its proposal.

In negotiated procurements, 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. While this generally requires agencies to advise offerors of proposal deficiencies and to afford them an opportunity to submit a revised proposal, it does not mean that agencies must conduct all-encompassing discussions; rather, agencies are only required to lead offerors into those areas of their proposals needing amplification, given the context of the procurement. Id.; Federal Acquisition Regulation § 15.610(c); Creative Management Technology, Inc., B-266299, Feb. 9, 1996, 96-1 CPD ¶ 61. It is not, however, the agency's responsibility to point out weaknesses in a technically acceptable proposal that result from a lack of diligence, competence, or inventiveness. Stone & Webster Eng'g Corp., supra.

Despite the RFP's requirement for a detailed description of the proposed approaches, methods, and procedures, Prosoft, in its proposal, basically repeated the RFP requirements and provided a general response describing quality assurance principles rather than providing a detailed description of the procedures the firm would put in place during contract performance. During discussions, the agency requested "information about [Prosoft's] quality assurance process to include references to Federal/Commercial ADP standards and how [Prosoft] correct[s] errors." The record thus shows that the protester was specifically told during discussions of the need for amplification in this area of its proposal; discussions with the firm in this regard were proper.

Although the agency did not raise its quality assurance concerns regarding the typographical errors in the protester's proposal, we cannot find that the agency acted improperly. First, an agency simply is not required to pinpoint during discussions matters such as this that result from the offeror's own lack of diligence. Second, the errors, independent of the lack of detailed information regarding quality assurance, were not a significant weakness—they mattered because of the vague and otherwise inadequate quality assurance sections of the proposal. Thus, they themselves did not preclude Prosoft from having a reasonable chance of receiving the award and therefore were not required to be the subject of discussions. See Department of the Navy—Recon., 72 Comp. Gen. 221 (1993), 93-1 CPD ¶ 422.

Cost/technical Trade-off

Finally, Prosoft contends that the contracting officer's cost/technical trade-off was flawed since, according to Prosoft, the agency is paying [DELETED] percent cost premium simply because the protester's proposal contained some typographical errors.

In a negotiated procurement, the government is not required to make award to the lowest-cost, technically acceptable offeror unless the RFP specifies that cost will be the determinative factor for award. General Servs. Eng'g, Inc., B-245458, Jan. 9, 1992, 92-1 CPD ¶ 44. Agency officials have broad discretion in determining the manner and extent to which they will make use of technical and cost evaluation results. Cost/technical trade-offs may be made; the extent to which one may be sacrificed for the other is governed by the test of rationality and consistency with the established evaluation factors. Id. Where, as here, the RFP indicates that technical considerations are more important than cost considerations, selection of a technically superior, higher-cost proposal is proper where the record shows that the cost premium was justified in light of the proposal's technical superiority. Dynamics Research Corp., B-240809, Dec. 10, 1990, 90-2 CPD ¶ 471. In this case, the record supports the contracting officer's decision to award to IMC as the technically superior offeror, even though IMC proposed a higher cost than Prosoft.

In reaching his decision to award the contract to IMC, the contracting officer noted that both the IMC and Prosoft proposals received the highest rating (blue) for technical capability. Recognizing that the RFP requirements necessitated a "very high level of competence of personnel and a great deal of management support to be successful," the contracting officer concluded that IMC's higher proposal ratings in personnel and management support "add value which justifies the 18 [percent] difference" in cost and that IMC's proposal provided the best overall value to the government; each of the technical evaluators agreed with this determination. Specifically, the contracting officer noted the following in his source selection decision:

"IMC has consistently provided detail about how they approach issues. IMC practices staffing by qualifications. IMC provided an example to illustrate their task order process including [DELETED]. IMC dissected the RFP and responded thoroughly to nearly every item referenced. Their proposal clearly demonstrates their understanding of project management which offers the [agency] sound practices to apply for successful completion of [contract] tasks. The Prosoft proposal lacked detail and demonstrated a less than effective quality assurance program with errors in textual and graphical information."

The record shows that although Prosoft submitted a technically acceptable proposal, receiving a high rating under the technical excellence criterion, IMC's proposal was reasonably determined to be superior to the protester's proposal under the remaining evaluation criteria. For instance, under the personnel qualifications factor, the record shows that [DELETED]. Under the management strength factor, the record shows that IMC's proposal described in detail the specific procedures to be taken by the firm in fulfilling the contract's quality assurance and quality deliverable requirements. In addition to providing a basis for IMC's proposal's higher rating, this greater detail also provided an appropriate basis for assessing the awardee's proposal as having a lower implementation risk than the protester's proposal.

An agency may consider a more detailed proposal technically superior. See ICONCO/NATIONAL Joint Venture, B-240119, Oct. 16, 1990, 90-2 CPD ¶ 296. Here, the RFP specifically instructed offerors to submit detailed proposals describing the proposed performance of the RFP requirements and offerors were specifically cautioned that the evaluators would consider the completeness of the proposals; the RFP required offerors to demonstrate their understanding of, and capabilities to perform, the requirements in their proposals. Prosoft's proposal fell short in light of these requirements.

Given that the record supports the evaluators' determination that IMC's proposal was technically superior overall with low risk, which, in the evaluators' view, provided a better guarantee that the agency would not suffer interruptions in performance of the contract, we think the source selection authority could reasonably conclude that IMC's proposal was worth the [DELETED] percent price premium, particularly since under the evaluation scheme in the RFP, price was less important than technical merit and the record shows a material difference in technical merit between the proposals. See Creative Management Technology, Inc., supra. Accordingly, we have no basis to question the reasonableness of the contracting officer's determination that IMC's proposal offered the best value to the government; the assertion that the agency is paying a price premium because of typographical errors is simply incorrect.

The protest is denied.

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of the United States