



G A O

Accountability * Integrity * Reliability

**Comptroller General
of the United States**

**United States General Accounting Office
Washington, DC 20548**

DOCUMENT FOR PUBLIC RELEASE

The decision issued on the date below was subject to a GAO Protective Order. This redacted version has been approved for public release.

Decision

Matter of: United Janitorial Services; Olympus Building Services, Inc.

File: B-286769.3; B-286769.4

Date: June 5, 2001

Lawrence J. Sklute, Esq., Sklute & Associates, and Ruth E. Ganister, Esq., Rosenthal and Ganister, for the protesters.

Wilson J. Campbell, Esq., Naval Facilities Engineering Command, for the agency.

Mary G. Curcio, Esq., and John M. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Agency reasonably downgraded protester's proposal on basis that it offered only one part-time quality control manager to perform all required inspections--which agency found would be inadequate to cover large number of buildings spread across large area--and did not include certain information required by the solicitation.
 2. Price/technical tradeoff was reasonable where agency determined that only meaningful difference between awardee's and protester's proposals was in experience and past performance, and that protester's superiority in this area was not worth its higher price.
-

DECISION

United Janitorial Services and Olympus Building Services, Inc. protest the award of a contract to Nova Commercial Company under request for proposals (RFP) No. N68711-00-R-7734, issued by the Department of the Navy for janitorial services. United argues that the Navy improperly evaluated its proposal. Olympus protests the evaluation of its proposal, and price/technical tradeoff.

We deny the protests.

The RFP, which contemplated the award of a fixed-price contract for a base year, with four 1-year options, covers custodial and janitorial services at approximately 258 buildings spread over 11 locations covering an area 15 miles in diameter. RFP, amend. 3, Building List; Contracting Officer's Statement-United (COS-United) at 2. The solicitation provided for award on a best value basis with technical factors approximately equal to price, and notified offerors that the agency intended to award

the contract without holding discussions. The technical evaluation factors and subfactors were listed as follows:

Factor A: Past Performance

Subfactor A1 - Specific Custodial/Janitorial Past Performance

Factor B: Experience

Subfactor B1 - Specific Custodial/Janitorial Experience

Factor C: Management/Administration Plan

Subfactor C1 - Management Plan for Work Accomplishment

Subfactor C2 - Detailed Management Plan for Quality Control

Subfactor C3 - Management Plan for Contract Administration

Subfactor C4 - On Site Staff and Organizational Structure

RFP amend. 3, § M, at 2-3.

Fourteen offerors, including United, Olympus and Nova, submitted technical proposals, which were evaluated by a technical evaluation board (TEB) under each factor and subfactor as exceptional, very good, acceptable, marginal, unacceptable or neutral. The TEB reported its conclusions to a source selection board that analyzed the proposed prices, and performed an integrated assessment of the proposals based on the price and technical factors. Following this process, Nova's proposal was rated overall very good, and Olympus's exceptional, and both were determined to be reasonably priced, at \$12,951,564.74 and \$[DELETED] respectively. United's proposal was rated overall marginal, and unacceptable for award as submitted. Business Clearance Memorandum (BCM) at 9; COS-United at 5. The evaluation results were forwarded to the source selection authority (SSA), who determined that Nova's proposal represented the best value, and therefore made award to Nova on the basis of its initial proposal.

UNITED PROTEST

United's proposal was downgraded based on marginal ratings under subfactors C2 and C4. United challenges these ratings.¹ In reviewing a protest against an agency's proposal evaluation, our role is limited to ensuring that the evaluation was reasonable and consistent with the terms of the solicitation. National Toxicology Labs, Inc., B-281074.2, Jan. 11, 1999, 99-1 CPD ¶ 5 at 3. We have reviewed the record and, as discussed below, find that the evaluation of United's proposal was reasonable.

Subfactor C2--Detailed Management Plan for Quality Control

Under subfactor C2, the solicitation stated:

- (i) Provide the offeror's detailed plan for Quality Control procedures and management in accordance with Section C, "Contractor Quality Control," and describe its intended plan to work with the Government Quality Assurance (QA) program.

RFP amend. 3, § M, at 4. The agency found that, while United's proposal provided an adequate quality control plan, it included only one quality control manager, who was also the safety manager and the alternate project manager. The agency did not believe that one part-time quality control manager would be able to provide adequate support for United's proposed plan. More specifically, the agency explains that where, as here, an offeror proposes to perform random sampling quality control inspections for daily recurring services (e.g., restroom cleaning and servicing), it must perform those inspections in accordance with the Automated Quality Assurance System (AQAS).² The AQAS requires inspections of between 14.6 percent (approximately 17.5 inspections per day) and 30.2 percent (approximately 37.6 inspections per day) of all daily recurring services. Agency Supplemental Information, May 2, 2001, at 1. The agency concluded that one part-time quality

¹ United also initially challenged the evaluation of its proposal in a number of other areas. The agency responded to each of these additional arguments in its administrative report, explaining why the evaluation in each case was reasonable. Since the protester did not respond to the agency's explanation in its comments on the report, we view the additional raised arguments as abandoned and will not consider them. Westinghouse Gov't and Env'tl. Servs. Co., Inc., B-280928 et al., Dec. 4, 1998, 99-1 CPD ¶ 3 at 7, n.6.

² AQAS is a computer software system that assists users in the development of, among other things, inspection schedules. Users are required to input information, including the frequencies of performance and the locations of buildings. Each month, the software generates an inspection schedule that dictates which buildings must be inspected, the dates of inspection and the work to be inspected. Agency Supplemental Information, May 1, 2001, at 1.

control manager would be unable to perform the required number of inspections, especially given the size of the area over which the inspections must be performed (248 buildings in 11 locations spread over an area 15 miles in diameter).

United does not disagree that one part-time quality control manager cannot perform the required inspections. Rather, United asserts that it did not propose a single quality control manager to perform the inspections; it notes that, in addition to the quality control manager, its proposal stated that two site supervisors would support the quality control manager, and that managers and supervisors also would perform semi-formal inspections. United also maintains that the agency ignored its plan to perform the inspections on a rotating basis, which, according to United, would reduce the number of inspections that would have to be performed on a single day.

The evaluation under this subfactor was reasonable. First, notwithstanding United's proposal to have site supervisors and managers assist the quality control manager, we find nothing unreasonable in the agency's position that it is more beneficial to have a full-time quality control manager with assigned responsibility for the quality control inspections. In this regard, we agree with the agency that a full-time quality control manager who does not have other responsibilities is more likely than a part-time manager to give priority to quality control, and is in a better position to ensure that all inspections are completed in accordance with the schedule, and that the quality control process overall works effectively and efficiently. We also share the agency's view that, while it may be beneficial to have some other employees perform "semi-formal" inspections, such inspections do not take the place of the formal inspections required by the solicitation's quality control process. With respect to United's plan to perform the inspections on a rotating basis, as the agency explains, the number and locations of required inspections are dictated by AQAS, and the agency specifically determined that United's staffing was inadequate to satisfy the AQAS standards. COS-United at 7. This being the case, to the extent United's plan provided for fewer inspections than AQAS, the agency reasonably concluded that this did not enhance its proposal.

Subfactor C4-On-Site Staff and Organizational Structure

Evaluation subfactor C4 required offerors to:

- (i) Provide a list of the proposed on-site staff and management, identifying experience and qualifications for each, including any education relative to custodial/janitorial services.
- (ii) Provide an organizational chart and detail the specific decision making authority of each individual. Include oversight relationship with subcontractors in the organization chart.

RFP amend. 3, § M, at 5. The agency downgraded United's proposal for failing to indicate how many janitors would be employed on the contract, or to identify the individuals proposed for on-site key positions, and their qualifications. The agency was also concerned that United proposed only two work team site supervisors to manage the performance of all work; the agency determined that this level of supervision was inadequate to effectively manage the workforce needed to perform the contract. The agency also found that United failed to clearly address oversight authority with respect to its proposed subcontractors; as a result, the agency found it unclear as to how subcontractors would be managed.

United maintains that the RFP did not require offerors to provide the number of janitors that will service the contract, or the names and qualifications of the on-site staff, and that its proposal therefore should not have been downgraded for these reasons. This argument is without merit. Evaluation subfactor C4(i), quoted above, specifically called for offerors to provide a list of the proposed on-site staff, and the experience and qualifications of each employee. The number of janitors proposed clearly was encompassed by this factor (the number of janitors would be evident from a listing of on-site staff), as were the names and qualifications of the proposed staff. These therefore were proper considerations in the evaluation. See Advanced Data Concepts, Inc., B-280967.8, B-280967.9, June 14, 1999, 99-1 CPD ¶ 19 at 4.

United also asserts that it did not propose only two site supervisors to manage the contract—it also proposed designated on-site representatives to assist in managing the contract work. As the agency points out, however, it is not clear from United's proposal that the on-site representatives have workforce management authority. In this regard, while on-site representatives are referenced in the proposal, their responsibilities are not clearly described—specifically, the proposal does not distinguish between the roles of the on-site representatives and the site supervisors (who are specifically proposed as having management responsibilities)—and these positions are not listed on the organizational chart. Given the absence of this information, the agency could reasonably assume that all management authority was vested in the two site supervisors, and evaluate the proposal accordingly. (An offeror runs the risk of having its proposal downgraded where it is inadequately written. McHargue Constr. Co., B-279715, July 16, 1998, 98-2 CPD ¶ 21 at 6.)

Finally, United asserts that the oversight authority for its proposed subcontractors was in fact clearly stated in the proposal narrative. The agency states, however, and our review confirms, that there was a conflict in United's proposal with respect to subcontractor oversight authority. Specifically, while the proposal narrative vested authority for managing the subcontractors in the daytime supervisor, the designated on-site representative and the project manager, United Proposal at 22, the project organization chart vested the same authority in the project manager. Id. at 25. Given this conflict, the agency reasonably concluded that the proposal was unclear with respect to subcontractor oversight.

OLYMPUS PROTEST

Olympus argues that, based on its overall technical rating of exceptional and its reasonable price, it should have received the award. In a best value procurement, where a higher-rated proposal is higher-priced, the agency must make a tradeoff to determine whether that proposal's technical superiority is worth its higher cost. H.F. Henderson Indus., B-275017, Jan. 17, 1997, 97-1 CPD ¶ 27 at 2. The agency may select a lower-priced, lower-technically-rated proposal if it decides that the cost premium associated with the higher-rated proposal is not justified, given the acceptable level of technical competence available at the lower price. Hydraulics Int'l, Inc., B-284684, B-284684.2, May 24, 2000, 2000 CPD ¶ 149 at 18. The evaluation scores are merely guides for the selection official, who must use his or her judgment to determine what the technical difference between competing proposals might mean to contract performance. Millar Elevator Serv. Co., B-284870.5, B-284870.6, Jan. 31, 2001, 2001 CPD ¶ 34 at 4.

Here, the solicitation provided for a best value award, with technical factors equal in importance to price. In selecting Nova for award, the agency determined that, notwithstanding Olympus's higher adjectival ratings, the proposals in fact were overall equal in all areas except experience and past performance, where the agency determined that Olympus was superior to Nova. BCM at 14. The agency concluded that Nova had sufficient experience and past performance to have a high probability of successful performance, and that Olympus's technical evaluation advantage therefore was not worth its approximate \$[DELETED] additional cost. Olympus takes issue with this determination, maintaining that the agency disregarded the significant difference in the two firms' experience and past performance. Again, however, the agency fully recognized Olympus's superiority in this area, and made its tradeoff decision in light of this fact. Olympus has not demonstrated that the agency's conclusions were unreasonable. Thus, we have no basis to question the award decision.³

³ Olympus also complains that, since its proposal had no weaknesses under subfactors C2 and C4, it should have received exceptional rather than very good ratings in those areas. As a preliminary matter, the record shows that, while there were no significant weaknesses in Olympus's proposal with respect to these subfactors, there were minor weaknesses that reasonably justified assigning Olympus's proposal other than the highest rating available. Evaluation-Olympus at 29, 33. More importantly, we reiterate that the evaluation ratings are merely guides for the selection officials, who must use their judgment to determine what the technical difference between competing proposals might mean to contract performance. Millar Elevator Serv. Co., supra. The agency's award decision here

(continued...)

The protests are denied.

Anthony H. Gamboa
General Counsel

(...continued)

was based, not on the source selection official's adoption of the TEB's adjectival ratings, but on the actual identified strengths and weaknesses of the technical proposals, balanced against the difference in price. BCM at 13-14. This being the case, assigning Olympus's proposal more favorable adjectival ratings under these subfactors would not change the award decision.