

DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

17195

FILE: B-200675

DATE: March 2, 1981

MATTER OF: ADP Network Services, Inc.

[Protest of Farmers Home Administration Contract Award]
DIGEST:

1. Contention that award should have been made to offeror submitting acceptable technical and management proposal at low system life cost is without merit where RFP disclosed (1) plan to rank proposals based on comparative technical and management excellence and (2) that cost was of secondary importance.
2. Where agency considers initial proposal to be acceptable and in competitive range agency is not obligated during discussions to point out every aspect of offeror's proposal that received less than maximum score where those weaknesses resulted from offeror's lack of diligence, competence or inventiveness.
3. Where offeror's acceptable proposal varied from three of RFP's requirements but proposed alternate approach to satisfy them and where offeror's proposal was not clear and understandable regarding its approach to satisfy another of the RFP's requirements, GAO has no basis to object to agency's determination to award less than maximum points to offeror's proposal in those areas.

ADP Network Services, Inc. (ADP), protests the award of a cost-plus-fixed-fee contract to National Data Corporation (NDC) under request for proposals (RFP) No. FmHA 80-16 issued by the Farmers Home Administration, Department of Agriculture (FmHA), for the design and implementation of a cash wire transfer system.

015766

114486

ADP contends that it should have been awarded the contract based on its technically acceptable proposal which offered a low system life cost; alternatively, ADP argues that FmHA failed to discuss certain concerns that FmHA had with ADP's technical proposal and that FmHA misevaluated ADP's technical proposal. FmHA responds that it carefully observed the RFP's evaluation scheme, properly evaluated ADP's proposal, and properly awarded the contract to NDC because NDC's technical advantage outweighed ADP's cost advantage.

For the reasons discussed below, we conclude that ADP's protest is without merit.

First, ADP contends that since its proposal satisfied all the RFP's mandatory requirements and there were no desirable features in the RFP, award should have been made to ADP on the basis of its proposed low system life cost. The RFP provided that award would be made based on the most advantageous proposal, price and other factors considered. The RFP also provided that technical proposals would be evaluated, as follows: implementation (15 percent), system design (55 percent), and experience (30 percent). The RFP further provided that cost would not be weighed and that it was of secondary importance to technical and management excellence. After evaluation of initial proposals, FmHA determined that proposals submitted by ADP and NDC were in the competitive range. Following discussions and evaluation of best and final offers, FmHA determined that the noncost aspects of NDC's proposal rated a score of 76 percent and ADP's a score of 69 percent. NDC's normalized system life cost was evaluated at \$498,847 and ADP's was about 10 percent (or about \$22,800) per year less. FmHA concluded that the superior technical and management advantages of NDC's proposal outweighed the cost savings of ADP's; thus, award was made to NDC.

In our view, the RFP clearly notified potential offerors that technical and management proposals would be scored relative to the RFP's requirements and that better technical and management proposals would receive higher scores. Further, the RFP clearly revealed that cost was of secondary importance to noncost aspects of

proposals and the RFP did not require award to the low-cost offeror. We conclude that ADP is not correct in its belief that the RFP called for award to the offeror submitting the low-cost, technically acceptable proposal. Instead, we believe that FmHA followed the RFP's disclosed evaluation scheme in its selection of the awardee and properly considered cost to be of secondary importance to technical and management factors.

Second, ADP argues in essence that, even if FmHA could properly give one technically acceptable proposal more credit than another one, during the debriefing FmHA expressed concern on five aspects of ADP's proposal but ADP states that FmHA failed to raise these concerns during discussions. In ADP's view, if FmHA had problems with ADP's proposal, the agency was obligated to advise ADP of the need for clarifications.

We believe the record shows that FmHA considered ADP's initial proposal to be technically acceptable but not quite as good as NDC's initial technical proposal. In similar circumstances, we have held that it would be unfair for an agency to help one offeror through successive rounds of discussions to bring its original proposal up to the level of other adequate proposals by pointing out those weaknesses which were the result of the offeror's own lack of diligence, competence, or inventiveness in preparing its proposal. See, e.g., Gould Inc., B-192930, May 7, 1979, 79-1 CPD 311; Washington School of Psychiatry, B-189702, March 7, 1978, 78-1 CPD 176. In sum, where an agency considers a proposal to be acceptable and in the competitive range, it is under no obligation to discuss every aspect of the proposal which received less than the maximum score. Here, as ADP recognizes, the five concerns mentioned by FmHA in the debriefing were not major deficiencies in ADP's proposal but were areas in which ADP's proposal was not as good as it could have been. FmHA pointed them out in the debriefing so that ADP could better compete in future procurements. In the circumstances, we conclude that FmHA was not obligated to mention these concerns during discussions.)

Third, ADP contends that FmHA misevaluated its proposal by failing to read the proposal accurately and by assuming, where there was doubt, that ADP proposed a less than satisfactory approach. In considering similar protests, we have limited our review to determining whether the agency had a reasonable basis for its evaluation results. See, e.g., Tracor, Inc., 56 Comp. Gen. 62 (1976), 76-2 CPD 386. We have held that procuring officials enjoy a reasonable degree of discretion in the evaluation of proposals and such determinations are entitled to great weight and must not be disturbed unless shown to be arbitrary or in violation of procurement statutes or regulations. See, e.g., System Innovation & Development Corp., B-185933, June 30, 1976, 76-1 CPD 426.

Here, the agency determined that ADP's proposal could have been improved on four major points and one minor one (which we will not discuss). First, the RFP required "automated audit trails." FmHA explains that it is required by regulation to have this capability, but that ADP, in its proposal, dismissed the requirement as meaningless. In its protest, ADP indicated that it could easily meet the requirement.

Second, the RFP required certain "courier delivery." ADP's proposal indicated that this was unnecessary. In its protest, ADP explained that the alternate approach, which it proposed, was acceptable according to advice from an FmHA official prior to submission of its proposal.

Third, the RFP required a "system to reconcile certain returned checks." FmHA concluded that ADP's proposal omitted a thorough discussion demonstrating ADP's understanding of the requirement. ADP argues that the discussion can be found starting on page 18, then reading page 20, page 21 and going back to page 14.

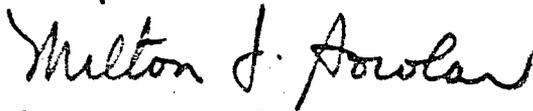
Fourth, the RFP required certain information by "borrower name" and the "date the information was requested by the field location." Although ADP's proposal indicated only partial compliance, it argues that it presented an alternate way to satisfy the

requirement which it believes is superior to the RFP requirement. On the other hand, FmHA reports that it wanted what was stated in the RFP.

After considering ADP's comments and FmHA's explanations, and after reviewing the evaluator's score sheets, the competitive range determination memorandum, and the awardee selection memorandum, we have no basis to object to FmHA's evaluation of ADP's proposal. In three of the four above areas, ADP proposed something at variance with the RFP's stated requirements. ADP took a chance that FmHA would find ADP's approach to be superior and it did not succeed. In the remaining area, ADP's proposal was not as clear and understandable as it could have been. In addition, FmHA's evaluators concluded that correction of some of these deficiencies would impact on ADP's cost proposal and affect the cost advantage enjoyed by ADP.

In sum, the competition was close; NDC's technical and management proposal was considered to be about 10 percent better than ADP's, and ADP's cost proposal was about 10 percent better than NDC's. Since the RFP disclosed that cost was of secondary importance to technical and management excellence, FmHA's determination to award to NDC was not improper.

Protest denied.



For the Comptroller General
of the United States