

177443

DECISION



20732 Boyle
THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

FILE: B-205161

DATE: February 5, 1982

MATTER OF: Planning Research Corporation

DIGEST:

1. Where the procuring agency considers an initial proposal to be acceptable and in the competitive range, the agency is not obligated during discussions to point out every aspect of an offeror's proposal (including the experience of proposed senior programmers) that received less than the maximum score.
2. GAO's review of the record reveals no basis to conclude that the procuring agency mis-evaluated the protester's proposal.
3. Contention--that the procuring agency failed to consider that a recent contract award to the proposed awardee by another procuring agency combined with its current workload may adversely affect the proposed awardee's performance and cost in the instant procurement--is without merit where the source selection official knew of the award and considered its impact on the capability of the proposed awardee to perform as required and at the cost projected by the Government.

Planning Research Corporation (PRC) protests the proposed award of a cost-plus-award-fee contract to Computer Data Systems, Inc. (CDSI), under request for proposals (RFP) No. DE-RP01-81EI-11857, issued by the Department of Energy for support services for the Energy Information Administration. PRC contends that Energy did not conduct adequate discussions with PRC and Energy misevaluated PRC's proposal and CDSI's proposal to PRC's detriment. We deny PRC's protest.

Energy received and evaluated eight proposals from technical, business and management, and cost standpoints, as outlined in the RFP. Seven proposals were determined to be within the competitive range. All seven proposals were considered adequate in the business and management area. Initial technical ratings showed that CDSI received the highest rating, and PRC and two other offerors were rated about 7 percent lower than CDSI. CDSI's initial cost proposal was the lowest of the offerors in the competitive range, and PRC's was the highest--substantially higher than CDSI's.

Energy sent each offeror written questions or requests for information to expand, clarify, or improve various areas in technical and cost proposals. Energy sent PRC questions or requests for information on 20 topics. Oral discussions were then held with each offeror. Energy received revised proposals and conducted another technical evaluation to reflect the revisions submitted by offerors. Energy also conducted an analysis of cost proposals, arriving at a projected cost to the Government of each offeror's proposal.

Energy's revised technical ratings reflect that CDSI's rating was reduced slightly, and PRC's and the other two offerors with ratings near PRC's, all received slightly higher ratings. PRC's and the other two offerors' ratings were about 3 percent lower than CDSI's. Energy's analysis of cost proposals indicated that CDSI's probable cost to the Government should exceed the proposed cost by about 6 percent, while the difference between PRC's proposed and probable cost was negligible. PRC's probable cost exceeded CDSI's by more than 50 percent.

After considering the ratings of all offerors, the source selection official concluded that CDSI should be selected for final negotiation leading to award. Subsequently, the Defense Contract Audit Administration (DCAA) audited CDSI and reported to Energy, supporting most of the areas of CDSI's proposal, but noting that it did not audit all aspects of the proposal.

After Energy notified PRC that CDSI had been selected, Energy conducted a debriefing for PRC, informing PRC of the areas in which Energy concluded that PRC could improve

its proposal in future procurements. As a result of the debriefing, PRC concluded that Energy conducted inadequate discussions--because Energy revealed weaknesses in PRC's proposal which were not, in PRC's view, discussed with PRC--and that Energy misevaluated both PRC's and CDSI's proposals, to PRC's detriment.

Regarding the adequacy of discussions, the record shows that after the initial evaluation of technical proposals, Energy determined that PRC's technical proposal was weak in these areas: (1) the experience of the proposed alternate project manager; (2) the experience of proposed senior programmers; (3) the relevance of internal control procedures proposed; (4) the offeror's understanding and approach to the contract objectives; and (5) the adequacy of the explanation for the methodology and scheduling proposed for sample task 2. Overall, Energy found many strengths in PRC's proposal, which were reflected in PRC's relatively high technical rating.

PRC contends that during written and oral discussions Energy failed to inform PRC of Energy's perceived weakness in the experience of PRC's proposed senior programmers. Energy reports that, at oral discussions, Energy asked PRC to provide an explanation of the acronyms used in the senior programmers' resumes to aid Energy in evaluating their qualifications. PRC argues that Energy's request was not enough to alert PRC to the perceived weakness. Energy also states that, in oral discussions, Energy asked PRC about the experience of one proposed senior programmer. PRC does not recall any questions about that person.

We note, from the record of written discussions, that Energy asked PRC to provide (1) additional details concerning the experience of the proposed alternate project manager, (2) information on the relevance of internal control procedures, (3) a narrative summary of PRC's understanding and approach to the contract objectives, and (4) an explanation of the rationale for the methodology and schedule for sample task 2. Thus, in our view, PRC's contention must necessarily be limited to the experience of proposed senior programmers.

PRC argues, citing several decisions of our Office (which we find inapplicable here), that Energy's action constituted inadequate discussions. Energy responds that our decisions have held that requests for clarification or amplification leading an offeror into areas of its proposal considered weak or unclear constitute meaningful discussions.

In our view, Energy considered PRC's initial proposal to be technically acceptable but not quite as good as CDSI's initial technical proposal. In similar circumstances, we have held that where an agency considers a proposal to be acceptable and in the competitive range, the agency is under no obligation to discuss every aspect of the proposal which received less than the maximum score. See, e.g., ADP Network Services, Inc., B-200675, March 2, 1981, 81-1 CPD 157. Here, Energy's evaluation of PRC's initial proposal showed that the senior programmers proposed were acceptable to Energy and could have performed the work. Further, it is undisputed that Energy asked PRC for clarification of the acronyms used in their resumes to better understand their qualifications. In sum, this aspect of PRC's proposal was not a major deficiency. Energy mentioned it in the debriefing so that PRC could better compete in future procurements. In these circumstances, we conclude that Energy was not obligated to do more than it did regarding the discussion of the experience of PRC's proposed senior programmers.

PRC further contends--based primarily on a misconception arising from the debriefing--that Energy miscalculated PRC's proposal by failing to credit PRC with addressing in its revised proposal (1) the preparation of automated reports related to sample task 2 and (2) the experience of the proposed alternate project manager. Energy reports that PRC was credited for addressing the sample task 2 aspect but PRC lost credit because PRC failed to adequately explain the rationale for the methodology and schedule proposed for sample task 2 in either PRC's initial or revised proposal. Energy also reports that PRC's revised technical rating increased slightly, reflecting Energy's evaluation of the additional information regarding the proposed alternate project manager.

From our review of the record, we find no basis to conclude that Energy misevaluated either aspect of PRC's proposal.

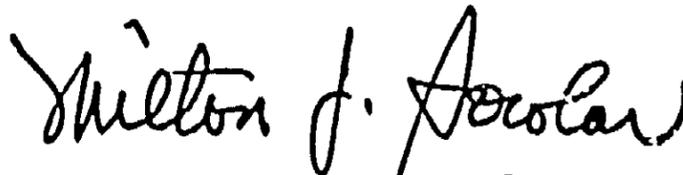
With respect to alleged misevaluation of CDSI's proposal, PRC contends that a recent contract award to CDSI by the General Services Administration (GSA) combined with CDSI's current workload may adversely affect CDSI's performance on the proposed Energy contract. This fact, in PRC's view, should have been evaluated by Energy in the context of Energy's cost realism analysis of CDSI's proposal and in the context of the RFP evaluation criteria concerning CDSI's capability to meet the contract's workload fluctuations of up to 50 percent within 1 month and CDSI's financial stability. At the conference on this protest, Energy informed PRC for the first time that the source selection official was aware of the recent GSA award and that Energy considered the impact of that award on CDSI's capability to perform as required and on CDSI's projected cost to the Government. Since Energy had actual notice of the GSA award, we have no need to consider whether CDSI was legally obligated to advise Energy in its proposal of the GSA award and its possible consequences.

We have reviewed Energy's cost realism analysis-- which was not furnished to PRC--from the standpoint that such matters are largely subjective and primarily the responsibility of the procuring agency since the agency is in the best position to assess the realism of the proposed estimated costs and technical approaches and the agency must bear the burden resulting from a defective analysis. Thus, agency cost realism determinations will not be disturbed unless clearly shown to be arbitrary, unreasonable, or violative of law. See, e.g., University Research Corporation, B-196246, January 28, 1981, 81-1 CPD 50. Here, Energy performed an analysis reflecting that CDSI's actual cost would be about 6 percent higher than proposed. Energy's analysis was supported by DCAA's audit report to the extent that DCAA conducted its review. In our view, the record provides no basis to disturb Energy's cost realism analysis. Further, we have no basis to object to Energy's overall evaluation of CDSI's financial stability or CDSI's capability to meet fluctuating workload requirements, particularly since the source selection official was aware of the GSA award.

Finally, in PRC's comments on Energy's report, PRC raises several questions, which it believes are unanswered because Energy did not furnish PRC all the necessary documentation. This decision has responded to PRC's questions concerning CDSI's disclosures regarding the GSA award, Energy's evaluation of PRC's proposal regarding sample task 2 and the scoring of PRC's revised proposal, and the adequacy of Energy's cost realism analysis. As for the other questions, the record indicates that the scoring system used by Energy was the same throughout the competition and there is no indication that technical transfusion from PRC to CDSI or other offerors occurred during the procurement.

In sum, in Energy's view, which we have no basis to disturb, PRC's technical proposal was very good but CDSI's was slightly better, their business and management proposals were about equal, and CDSI's projected cost to the Government was substantially lower than PRC's. Thus, Energy properly selected CDSI for award.

We deny the protest.



Acting Comptroller General
of the United States