



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: VSE Corporation
File: B-224397
Date: October 3, 1986

DIGEST

1. Protest that agency did not rescore technical proposals following discussions and receipt of best and final offers (BAFOs) is denied where agency's technical review panel discussed BAFOs and adequately reported the results of reevaluation to the selection official.
2. Protest that two technical review panel (TRP) members participated in final selection without knowledge of protester's technical clarifications is denied since the two members discussed best and final offers with the TRP chairperson.
3. Award of a cost-reimbursement contract to a higher-cost, technically superior offeror is not objectionable where award on that basis is consistent with the solicitation evaluation criteria and the agency reasonably determined that the difference in technical merit was sufficiently significant to justify cost difference.
4. Agency preference for proposal offering a level of effort which exceeds the government's estimate stated in the request for proposals does not constitute a substantive change in agency requirements for which a written amendment should be issued.

DECISION

VSE Corporation (VSE) protests the award of a cost-plus-fixed-fee contract to ORI, Inc. (ORI) under request for proposals (RFP) No. 86-016, issued by the Department of Education (DOE). The RFP solicited processing and technical support services for the Integrated Postsecondary Education Data System (IPEDS), and contemplated a contract for a 15-month base period and four 12-month options. VSE contends that DOE improperly evaluated proposals.

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We deny the protest.

Offerors were required to submit separate technical and cost proposals. The RFP contained the following four technical evaluation criteria worth a total of 100 points:

Understanding of the purposes and objectives	10 points
Technical quality	30 points
Qualifications, experience and commitment of project staff	35 points
Corporate capability	10 points
Project management, organization and control	15 points

The RFP advised offerors that while award would be made to the offeror whose proposal represented the combination of technical merit and cost most advantageous to the government, technical proposals "will be of paramount importance" in the evaluation.

VSE and ORI, two of the six firms which submitted proposals, were found to be within the competitive range. Their technical proposals received point ratings of 77.3 and 81.8, respectively, from a six-member technical review panel (TRP).

After submitting written responses to technical and cost questions, and participating in oral negotiations, VSE and ORI submitted best and final offers of \$3,887,200 and \$7,002,389, respectively. The contracting officer awarded the contract to ORI, based on a determination that the ORI BAFO was technically superior to VSE's, and that the technical advantage warranted the additional cost.

VSE protests that DOE did not rescore the technical proposals following discussions and receipt of BAFOs, alleging that its technical standing should have increased significantly with rescoring.

There generally is no requirement that an agency formally rescore best and final offers. Associations for the Education of the Deaf, Inc., B-220868, Mar. 5, 1986, 86-1 C.P.D. ¶ 220. While a point scoring system may be useful as a guide to decision making, numerical scores do not transform the technical evaluation, which is inherently subjective, into an objective process. The purpose of initial point scores is not to determine the ultimate outcome of the competition, but rather to establish a competitive range of

offers to be evaluated further upon submission of best and final offers. CRC Systems, Inc., B-207847, May 2, 1983, 83-1 C.P.D. ¶ 462. Moreover, in the final source selection process, the selection official is not bound by the scoring of the technical evaluators, provided his ultimate decision has a reasonable basis and is consistent with the evaluation criteria. Grey Advertising, Inc., 55 Comp. Gen. 1111 (1976), 76-1 C.P.D. ¶ 325.

Here DOE reports that the TRP chairperson reviewed the BAFOs, called each TRP member to provide information and discuss the BAFOs, and that the TRP unanimously agreed that ORI was technically superior to VSE. After reviewing the record, the contracting officer awarded the contract to ORI, based on a determination that the ORI BAFO was technically superior to VSE's and that the technical advantage warranted the additional cost. Under these circumstances, we do not see how a formal rescoring after best and final offers could possibly have altered that judgment. In any event, whether the revised proposals were rescored is not a matter of concern so long as the results of the reevaluation were adequately reported to the selection official as in this case. Hager, Sharp & Abramson, Inc., B-201368, May 8, 1981, 81-1 C.P.D. ¶ 365.

VSE also contends that two TRP members participated in the final selection without knowledge of its technical clarifications to its proposal, since they were not present during oral negotiations. However, as stated above, all TRP members discussed BAFOs with the TRP chairperson, and therefore could avail themselves of VSE's technical clarifications.

VSE also protests that DOE failed to properly consider cost in the award decision, and did not justify paying a much higher cost for ORI's services compared with the lower cost found in VSE's technically acceptable proposal.

In a negotiated procurement, the agency's selection officials have broad discretion in determining the manner and extent to which they will make use of the technical and cost evaluation results. Cost/technical tradeoffs may be made, and the extent to which one may be sacrificed for the other is governed only by the tests of rationality and consistency with the established evaluation factors. Grey Advertising, Inc., 55 Comp. Gen. 1111 at 1120. The judgment of the procuring agency concerning the significance of the difference in the technical merit of offers is accorded great weight. Asset Inc., B-207045, Feb. 14, 1983, 83-1 C.P.D. ¶ 150. We have upheld awards to higher rated offerors with significantly higher proposed costs because it was determined

that the cost premium involved was justified considering the significant technical superiority of the selected offerors' proposals. Bank Street College of Education, 63 Comp. Gen. 393 (1984), 84-1 C.P.D. ¶ 607.

Here, award to the higher cost, technically superior offeror is clearly consistent with the RFP's evaluation criteria which indicated that technical quality would be given greater priority than cost. DOE's narrative evaluation of ORI's and VSE's proposals describes a more substantial difference between the two proposals than the difference in the initial technical point scores would suggest. The record shows that the selection of ORI over VSE was primarily based on the determination that ORI proposed and justified an appropriate combination of staff skill mix and hours of commitment at a cost estimate of \$7,002,389, which was close to a government cost estimate of about \$6.9 million. In contrast, VSE's cost estimate of \$3,887,200 was significantly below the government's, and its staff commitments and skill mix were judged inadequate in view of the newness of the IPEDS system and the magnitude of the project. For example, DOE noted that only two of VSE's proposed key survey personnel had expertise in managing surveys; ORI proposed a team of survey managers with a strong track record. Furthermore, DOE contrasted VSE's senior professional staff time commitment of 9500 hours with ORI's 15,700, and noted that ORI survey managers would devote 100 percent of their time to this contract whereas VSE only provided a commitment of 67-76 percent.

In addition, DOE considered that VSE's costs were unrealistically low compared to costs previously proposed by VSE for what DOE considered similar, though less extensive and complex work. DOE reports that VSE's proposed costs under a previous contract which covered five or six surveys each year to 3400 institutions were higher than any of the costs proposed by VSE under this RFP for IPEDS. IPEDS is designed to survey 14,000 institutions for one survey, and between 4,000 and 7,000 for each of the six or seven other surveys, a significantly increased workload by DOE's estimation.

Though VSE argues that survey managers would not need to devote 100 percent of their time to this contract due to work fluctuations, and believes the cost of its prior survey work is not comparable, it appears to us that DOE evaluators could rationally evaluate proposals as they did. The fact that VSE objects to the evaluation, and believes its own proposal was better than as evaluated by DOE, does not render the evaluation unreasonable. See Experimental Pathology Laboratories, B-221304, Mar. 10, 1986, 65 Comp. Gen. ____, 86-1 C.P.D. ¶ 235. We conclude that DOE has provided a reasonable basis justifying the award to ORI at the higher cost.

VSE also protests that DOE changed its requirements after the solicitation closed, but failed to notify VSE of the change. VSE notes that its staff estimate was consistent with the government's level of effort estimate in the RFP, and VSE's staff estimate exceeded the government estimate. VSE concludes that DOE's judgment that the project warranted a greater time commitment of better qualified staff than proposed by VSE, and DOE's preference for VSE's proposed level of staffing, constituted a substantive change in DOE's requirements for which DOE should have issued a written amendment.

We disagree. The RFP specifically indicated that the level of effort estimate was "furnished for the offeror's information only and is not considered restrictive for proposal purposes." The level of effort was an estimate, not a requirement, and offerors were free to offer any level of effort they deemed appropriate. DOE's acceptance of ORI's proposal for more than the estimated amount of staff years was therefore not a departure from RFP requirements for which an amendment needed to be issued. Diversified Data Corp., B-204969, Aug. 18, 1982, 82-2 C.P.D. ¶ 146.

The protest is denied.

Harry R. Van Cleve

Harry R. Van Cleve
General Counsel