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The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Sigma Systems, Inc.
File: B-225373
Date: February 24, 1987

DIGEST

Army's decision to award a contract concerning a manpower staffing standards study to a higher rated, higher priced offeror was not unreasonable where the awardee's technical proposal was considered superior and worth the cost premium involved.

DECISION

Sigma Systems, Inc. protests the selection of Standard Technology, Inc. (STI), for award of a contract under request for proposals (RFP) No. MDA903-86-R-0061. The RFP was issued by the Department of the Army and called for offers to conduct the measurement and computation phases of a manpower staffing standards study in the area of preventative medicine. Sigma argues that its technical proposal was "substantially equal" to STI's and therefore, under the express terms of the RFP, Sigma should have been awarded the contract on the basis of its lower price. We deny the protest.

The Army issued this solicitation as a total small business set-aside on July 31, 1986. The RFP provided for selection of the proposal demonstrating technical superiority, provided it was offered at a reasonable and realistic price. However, the RFP expressly established that cost would become the determining factor if, in the government's judgment, two proposals were found to be substantially equal in technical merit. Section M-2 of the RFP established the following technical factors on which the proposals were to be evaluated: 1) technical adequacy of approach; 2) personnel qualifications and experience; 3) organizational management; and 4) organizational experience. The first factor was stated to be of "paramount importance"; factors two and three were of "secondary importance"; and factor four was of

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"tertiary importance." Section M-3 of the RFP further stated that proposed costs would not be assigned numerical weights and would be subordinate to technical considerations.

On September 2, 1986, the solicitation's closing date, the Army received proposals from five firms. On September 16, the technical evaluation panel found three firms to be in the competitive range; Sigma and STI were two of these three firms.

On September 22, the Army conducted negotiation sessions with the firms in the competitive range. Sigma maintains that during its session, the Army did not challenge its technical approach in any manner. The Army disputes this, noting that Sigma was given both general and specific questions to respond to in submitting its best and final offer. The Army set September 24 as the date for submission of best and final offers.

On September 26, the Army evaluated the best and final offers. Sigma's offer contained a price of \$389,679; its technical proposal received a numerical rating of 78.5 on a scale of 100. STI offered a price of \$591,523; its technical proposal received a rating of 85.6. A breakdown of the ratings revealed that STI scored higher than Sigma in the first three, most important rating factors, while Sigma - scored higher than STI in the fourth, least important category.

On September 26, the evaluation panel recommended that the contracting officer award the contract to STI. In light of STI's higher price, the contracting officer asked the panel to review its recommendation, giving specific consideration to relative costs as well as technical merits. The panel did as requested, preparing a memo dated September 30, 1986. This memo stated that, despite STI's higher proposed price, it was the panel's opinion that the Army would "get more value for its money" by selecting STI.

Relying on the panel's supplemental evaluation, as well as the initial recommendation, the contracting officer awarded the contract to STI on September 30, 1986. After a formal debriefing session on October 2, Sigma filed its protest with our Office.

Sigma protests that the technical proposal it submitted should have been considered substantially equal to STI's, thereby requiring the Army to award the contract on the basis of price. We do not agree.

The determination of relative merits of a proposal is the responsibility of the procuring agency since it must bear the burden of any difficulties incurred by reason of a defective evaluation. Culp/Wesner/Culp, B-212318, Dec. 23, 1983, 84-1 C.P.D. ¶ 17. Further, procurement officials have broad discretion in performing that evaluation function. Grey Advertising, Inc., 55 Comp. Gen. 1111 (1976), 76-1 C.P.D. ¶ 325. Our Office will question an agency's evaluation only upon a clear showing of unreasonableness. American Coalition of Citizens with Disabilities, Inc., B-205191, Apr. 6, 1982, 82-1 C.P.D. ¶ 318. Mere disagreement with an agency's evaluation does not show that the evaluation is unreasonable. Intelcom Educational Services, B-220192.2, Jan. 24, 1986, 86-1 C.P.D. ¶ 83.

In this case the Army has categorically stated that STI's proposal was superior to Sigma's and that the two were not substantially equal, and the record supports the Army's position. The evaluation panel found that while Sigma discussed adjustments to data collected, it failed to explain the process to be used in adjusting data upward or downward--an element the panel believed would critically affect the credence given the manpower staffing standards. Further, the panel was not satisfied with Sigma's proposed man-hour allocation for tasks to be performed, nor with Sigma's apparent willingness to rely on subjective data for its computations. Finally, the panel referred to the fact that the academic qualifications of STI's staff were superior to those of Sigma's. From our review of the record, we do not find the panel's reaction to Sigma's proposal and its scoring of the two proposals to be unreasonable.

Further, we note that in the Statement of Work accompanying this RFP, the Army stated that the study solicited was a direct response to criticism leveled at its previous reliance on subjectively established manpower requirements. It noted that the study anticipated from this contract would be used to support the Army's position concerning its stated manpower requirements with Congress, the Department of Defense and our Office. Accordingly, in light of the Army's concern over the accuracy of this study, as well as the relative deficiencies in Sigma's proposal, we find the Army's determination that STI's proposal was superior to Sigma's for meeting the Army's needs was reasonable. Accordingly, award of the contract to STI at a higher price was proper.

The protest is denied.

for *Seymour Efron*
Harry R. Van Clève
General Counsel