



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Sparta, Inc.
File: B-228216
Date: January 15, 1988

DIGEST

1. Where selection official, after evaluation of proposals on a basis consistent with the solicitation's stated scheme, reasonably regards technical proposals as essentially equal, cost or price properly may become the determinative selection factor.
2. Selection official's decision to award contract to lower-technically-rated, lower-priced offeror is not unreasonable where he has determined that protester's numerical scoring advantage based on incumbent experience was not material since the solicitation provided for a time and materials contract where the government would retain control over the work, and he thus considers the protester's and awardee's technical proposals to be essentially equal.

DECISION

Sparta, Inc. protests the proposed award of a contract to Campbell Engineering, under Department of the Army request for proposals (RFP) No. DAAH01-87-R-0063. The protester alleges that the agency failed to give adequate weight to its experience, and failed to consider the probable cost savings from that experience, in evaluating the proposals.

We deny the protest.

The RFP solicited proposals for a 24 month indefinite quantity, time and materials, research and development contract. The solicitation's scope of work, entitled "Hypervelocity Rocket and Missile Technology," included the furnishing of personnel, equipment, and materials, for the design, fabrication, testing, and design refinement of prototype airframes and launchers. Work order No. AT-001, included in the amended RFP, required the furnishing of personnel, equipment, and materials to provide SPIKE rocket hardware and to support warhead tests and flight test data analyses.

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Evaluation of technical proposals was to encompass consideration of the following factors: fabrication and flight test facilities; management; personnel; technical; and cost. The first three factors were to be evaluated on a go/no-go basis, and scored. Technical and cost were of equal weight. The RFP generally required demonstrated competence and experience in the technology of the scope of work, and the technical evaluation factor covered 10 areas under the scope of work, such as aerodynamic design of airframes and analysis of weapons systems effectiveness. These 10 technical criteria were weighted equally.

For cost evaluation purposes, labor rates were to be provided by offerors and an estimated total labor cost was to be calculated by applying the proposed rates to an agency-stipulated level of required hours. The RFP provided that award would be made on the basis of the best offer for accomplishing the government's requirements on a timely, cost effective basis.

The agency received three proposals and determined all to be technically acceptable. Discussions were held, and best and final offers requested. Both Sparta's and Campbell's proposals were rated "go" on fabrication and flight test facilities, management, and personnel. Both proposals were highly rated technically, but Sparta received a slightly superior score while Campbell offered a more advantageous price. The source selection official determined that Sparta's higher technical score did not represent a material difference in the proposals, and did not justify the payment of a higher price. He therefore made award to Campbell.

The Army's determination that the proposals were essentially equal technically was based on its finding that the point differential between the Sparta and Campbell proposals resulted largely from Sparta's advantage in incumbent-type experience. While experience was generally part of the evaluation, as reflected in the technical criteria requiring the contractor to have knowledge, understanding, and awareness of the scope of work in the 10 specified areas, the source selection official determined that the evaluation committee had placed more importance on this consideration than was warranted by the RFP. Specifically, the official reasoned that, because the nature of a time and materials contract dictates that the government retain intensive program control, actual experience is not as essential as it would be were total control to be turned over to the contractor.

Sparta takes issue with the agency's conclusion, maintaining that its proposal was technically superior because of its previous involvement in the technology of the RFP under the

SPIKE program and that, given the RFP's emphasis on experience, its proposal could not reasonably be considered only technically equal to Campbell's. Sparta also argues that, even if the proposals were determined to be essentially equal, the narrow price difference between its offer and the proposed awardee's should have resulted in its higher technical rating being determinative in the award decision. Sparta believes its proposal should have come out ahead in the tradeoff because its experience as the incumbent would translate into a lower level of effort required to perform each task and therefore a lower probable total cost. In contrast to its proposal, Sparta contends that Campbell's lack of experience would require added educational time and supervision by the government, likely adding to the firm's probable total cost.

Whether a given point spread between competing offerors alone may indicate significant superiority of one proposal over another depends on the facts and circumstances of each procurement, and while technical point scores and descriptive ratings must be considered by source selection officials, such officials are not bound thereby. PRC Kentron, B-225677, Apr. 14, 1987, 87-1 CPD ¶ 405. Rather, source selection officials must determine if they agree that the point scores are indicative of technical superiority and what the difference in point scores may mean in contract performance. Id. Where selection officials reasonably regard technical proposals as being essentially equal, cost or price may properly become the determinative factor in making an award, even where the RFP evaluation scheme assigns cost less importance than technical factors. Actus Corp. et al., B-225455, Feb. 24, 1987, 87-1 CPD ¶ 209. Worldmald Fire Sys., B-224514, Feb. 20, 1987, 87-1 CPD ¶ 189. The extent to which source selection officials use the results of technical evaluations and make a tradeoff between cost and technical considerations are governed only by the tests of rationality and consistency with the evaluation criteria established by the RFP. Worldmald Fire Sys., B-224514, supra.

We find no basis for questioning the Army's conclusion that Sparta's scoring advantage did not indicate material technical superiority. While knowledge of the work to be performed and experience both were for consideration, the RFP nowhere provided that these factors had to be satisfied through incumbent experience. Obviously, such experience would be beneficial, but we do not think the RFP made incumbent experience so dominant or essential that the agency could not reasonably conclude that another firm with non-incumbent experience could perform the contract as well as the incumbent. This is precisely what the Army found in this case; while Campbell lacked experience as an incumbent,

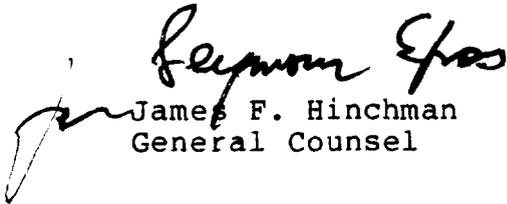
the evaluators specifically found that Campbell had closely-related experience that warranted a high technical rating. The selection official ultimately determined, properly we believe, that since either firm could perform the contract well and the type of contract contemplated would necessitate a relatively high degree of Army involvement in any case, Sparta's technical advantage based on incumbency was not material. We have upheld determinations that technical proposals were essentially equal despite percentage scoring differentials greater than the one here. See e.g., Lockheed Corp., B-199741.2, July 31, 1981, 81-2 CPD ¶ 71 (where the differential was more than 15 percent).

Once the Army properly determined that the proposals were essentially equal technically, there was nothing objectionable in its selection of the lowest cost proposal for award. The Army did specifically find that the potential 3 percent cost saving from Campbell more than offset the marginal difference in technical scores. We have specifically recognized that source selection officials properly may consider a numerical scoring advantage based primarily on the advantages of incumbency, as not indicating an actual technical superiority that would warrant paying a higher price. Bunker Ramo Corp., 56 Comp. Gen. 712 (1977), 77-1 CPD ¶ 427; see also, Grey Advertising, Inc., 55 Comp. Gen. 1111, (1976) 76-1 CPD ¶ 325. Sparta's suggestion that Campbell's lack of specific experience should increase Campbell's proposal costs is unsupported in the record. While some evaluators commented that Campbell would need to become acquainted with the past efforts of the SPIKE program in preparing to perform, the evaluators did not find that this need would make a difference in contract performance or translate into any actual additional costs to the government. Campbell did not propose any additional training chargeable to the government and the evaluators did not find that any such training would be required. Rather, as indicated above, the Army believed its close involvement in the effort would facilitate the transition to a new contractor. Given the conclusion that Sparta's incumbent experience did not represent a material technical advantage, the Army obviously did not anticipate a difficult or costly transition.

Again, the record clearly indicates that the selection official when making his tradeoff, was well-aware of the evaluator comments concerning Sparta's incumbent experience advantage, as well as Campbell's need to become familiar with past SPIKE program efforts, and that he determined these considerations not to outweigh the price advantage of Campbell's offer.

Finally, Sparta complains that technical discussions were held only with the other offerors, and speculates that technical transfusion took place during these discussions. The record indicates, however, that Sparta was not included in discussions only because no deficiencies were found in its technical proposal; accordingly, there was no need for technical discussions with Sparta. See Federal Acquisition Regulation, § 15.610(c)(2) (FAC 84-5). Further, there is no evidence of technical transfusion. The agency posed only one technical question to Campbell (related to Campbell's understanding of air defense system effectiveness evaluation), and Campbell's response raised its score only two points.

The protest is denied.



James F. Hinchman
General Counsel