



**The Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Range Technical Services
File: B-231968
Date: November 14, 1988

DIGEST

1. In view of the protester's recognition as the incumbent that it was proposing a significant reduction in staffing (relative to historical levels), contracting agency reasonably communicated its concern with the proposed reduction and satisfied the requirement for meaningful discussions when it questioned whether the proposed approach was adequate to handle anticipated workload and offered the protester a reasonable opportunity to explain why its staffing was adequate and/or to revise its approach.
2. Contracting agency acted reasonably in selecting for award of cost-reimbursement contract an offeror proposing a level of staffing that more closely conforms to actual historical manning levels rather than offeror proposing a significant reduction in staffing.

DECISION

Range Technical Services (RTS) protests the award of a contract to Computer Sciences Raytheon (CSR), under request for proposals (RFP) No. F08606-88-R-0002, issued by the Department of the Air Force for technical and support services for the Eastern Test Range and the Air Force's Eastern Space and Missile Center. RTS, a joint venture of General Electric Government Services and Pan American Services, Inc., challenges the Air Force's evaluation of its technical and cost proposals and contends that the agency failed to conduct meaningful discussions concerning perceived weaknesses in its proposed staffing. We deny the protest.

043844/137276

BACKGROUND

Operation and maintenance (O&M) services for the Eastern Space and Missile Center, which includes Cape Canaveral Air Force Station in Florida and other facilities, have been provided by members of the RTS joint venture for approximately the past 35 years. The Air Force's acquisition strategy for the center contemplated enhancing competition by dividing the O&M requirement between two major contracts, including the protested procurement for engineering and technical services--"Center Technical Services"--and a second procurement for launch base support services. The agency recently awarded the launch base support contract to Pan American.

The solicitation for technical services contemplated award of a cost-plus-award-fee contract for a base period of 1 year and a possible 4 option years. The solicitation provided for proposals to be evaluated on the basis of management and technical approaches, factors of equal importance, and cost, a factor of less importance than the others.

Although the solicitation required offerors to propose a minimum of 620 manyears for long-range planning and the development of instrumentation and computer systems, approximately one-third of the required work, it imposed no overall level-of-effort requirement. Nevertheless, the solicitation statement of evaluation factors generally provided for an in-depth evaluation of the risks associated with an offeror's proposed approach and specifically provided for consideration of the quantity, quality and compensation of staffing with respect to both the technical and management areas. In this regard, the solicitation elsewhere required offerors to discuss their manning rationale and to provide detailed manning tables setting forth the number and types of staff assigned to each organizational unit, work location, and statement of work (SOW) requirement. In addition, the solicitation statement of evaluation factors provided for an assessment of an offeror's ability successfully to perform the RFP requirements for the proposed cost and for the calculation of the most probable cost of the offeror's approach; it cautioned that no advantage would accrue to an offeror proposing an unrealistically low cost.

Four proposals were received in response to the solicitation; all were included in the competitive range. After conducting written and oral discussions with offerors, the Air Force requested the submission of best and final offers

(BAFOs). Based upon its evaluation of BAFOs, the agency found the proposal submitted by CSR to be most advantageous to the government. Although RTS had proposed the low cost (\$342,691,284), 1.57 percent less than the cost proposed by CSR (\$348,174,294), the Air Force calculated the most probable cost of accepting either proposal to be approximately the same--that is, \$410.9 million--and concluded that CSR's proposal offered significantly less risk to the government.

The Air Force's projection of substantially higher actual costs to the government than proposed by either offeror, and its perception of a disparity in risk associated with their respective approaches, primarily resulted from the agency's conclusions regarding the staffing necessary to perform the SOW. Under the predecessor contract, approximately 2,157 manyears of labor were used to satisfy the same requirements included under this solicitation, and the agency initially estimated prior to the receipt of proposals that 2,186 manyears would be necessary to continue to meet its requirements. None of the offerors, however, proposed comparable staffing; while CSR proposed 1,793 manyears, RTS proposed only 1,607 manyears. The agency estimated the staffing level likely to be necessary under each proposed approach for use in the technical evaluation and for calculating the most probable cost; these revised estimates contemplated a significant reduction in staffing from historical levels, but still exceeded the manning proposed by all offerors.

The agency found the staffing proposed by three of the offerors, including RTS and CSR, to represent weaknesses in their proposals. In particular, the agency determined that RTS had proposed 405 manyears less than was required to perform the SOW requirement for technical systems operations and maintenance, and that RTS's net, overall staffing level was 340 manyears below the agency estimate (1,947 manyears) for its proposed approach. CSR's proposed overall level was found to be 185 manyears below the agency estimate (1,978 manyears). Accordingly, although CSR's staffing was viewed as creating a moderate level of risk, RTS's staffing was found to create a high level of risk. The agency reports that since the evaluations of the two proposals were almost identical, the discriminating element proved to be the higher risk ascribed to RTS's approach because of its lower level of staffing. Upon learning of the ensuing June 23, 1988, award to CSR, RTS filed this protest with our Office.

EVALUATION

RTS first alleges that the evaluation of proposed staffing, and the subsequent assessment of relative risk and cost realism, were based upon a superficial analysis that failed to take into account the significant, unique elements of each proposal and the important differences in the experience of the offerors. In this regard, we note that RTS's proposal set forth its rationale for proposing manning reductions, describing proposed consolidations, new management approaches and equipment upgrades that it believed would enhance productivity.^{1/}

The evaluation of proposals is primarily the responsibility of the contracting agency, since it is responsible for defining its needs and the best method of accommodating them, and must bear the burden of any difficulties resulting from a defective evaluation. Accordingly, our Office will not make an independent determination of the merits of technical proposals; rather, we examine the agency's evaluation to ensure that it is reasonable and consistent with stated evaluation criteria and applicable statutes and regulations. The protester bears the burden of showing that the evaluation is unreasonable, and mere disagreement with the agency does not render the evaluation unreasonable.

Mark Dunning Industries, Inc., B-230058, Apr. 13, 1988, 88-1 CPD ¶ 364.

Our review of the record confirms that the perceived weakness in RTS' staffing approach was the determinative factor in the source selection. RTS's proposal of significantly fewer manyears than considered necessary for its approach led the Air Force to view RTS's staffing plan as posing a high risk that RTS would be unable to perform the SOW requirements satisfactorily; correction of this weakness through the addition of more staff eliminated the purported cost advantage claimed by RTS. In view of the importance placed by the solicitation upon adequate staffing, the selection of CSR on the basis of its superior staffing was reasonable.

^{1/} The Air Force questions the timeliness of RTS' protest of the cost evaluation on the ground that it is based on information in a June 24 newspaper article and was not filed until July 12, more than 10 working days later. See Bid Protest Regulations, 4 C.F.R. § 21.2(a)(2) (1988). However, since it appears that RTS did not receive meaningful details concerning the evaluation of proposals until it was debriefed by the Air Force on July 1, we consider the protest to be timely.

Notwithstanding RTS's speculation to the contrary, the initial staffing estimate was based upon a detailed analysis of the SOW requirements, taking into consideration the Air Force's extensive experience with the particular facilities and tasks encompassed within the contemplated contract and its expectations for future workload. The agency evaluation also took into consideration the specific measures proposed by RTS to enhance productivity; as it did for each offeror, the agency formulated a separate, final estimate of the staff required to perform the SOW under RTS's specific proposed approach. As a result of the differences between proposals, each of the final staffing estimates differed somewhat. The agency's willingness to consider the merits of new and different approaches was further evidenced by its determination that staffing below historical levels would be adequate. In other words, it does not appear from the record that the agency's analysis of staffing requirements was either superficial nor made without reference to offerors' proposals.

Although the protester disputes the agency's conclusions as to the proper staffing level, we find nothing unreasonable in the Air Force relying on its estimates for the purpose of evaluating staffing; the Air Force's estimates more closely conform to the actual historical staffing level. We will not overturn an agency determination of its needs on the basis that the protester believes its own calculations are more correct. Mark Dunning Industries, Inc., B-230058, supra.^{2/}

DISCUSSIONS

RTS maintains that the Air Force did not conduct adequate discussions because RTS was never advised that its proposed staffing was too low. Under the Competition in Contracting Act of 1984, 10 U.S.C. § 2305(b)(4) (Supp. IV 1986), and Federal Acquisition Regulation (FAR) § 15.610(b), written or oral discussions must be held with all responsible sources whose proposals are within the competitive range. Such discussions must be meaningful, that is, agencies must point out weaknesses, excesses or deficiencies in the offeror's

^{2/} This case is distinguishable from Kinton, Inc., B-228260.2, 67 Comp. Gen. _____, 88-1 CPD ¶ 112, on which RTS relies. In Kinton, unlike here, award was made on the basis of initial proposals without discussions and after the agency had conformed the proposals to an undisclosed staffing estimate without undertaking an independent analysis of each offeror's proposed approach.

proposal unless doing so would result in disclosure of one offeror's approach to another--technical transfusion--or would result in technical leveling through successive rounds of discussions, such as by pointing out inherent weaknesses resulting from the offeror's lack of diligence, competence or inventiveness. FAR § 15.610(d); see B.K. Dynamics, Inc., B-228090, 67 Comp. Gen. __, 87-2 CPD ¶ 429; Price Waterhouse, B-222562, Aug. 18, 1986, 86-2 CPD ¶ 190. Agencies are not obligated to afford offerors all encompassing discussions, or to discuss every element of a technically acceptable competitive range proposal that has received less than the maximum possible score; rather, agencies generally must lead offerors into the areas of their proposal which require amplification. See Avitech, Inc., B-223203.2, Mar. 27, 1987, 87-1 CPD ¶ 351.

The Air Force argues that it in fact fully discussed the perceived weakness in RTS's proposed staffing for technical systems operations and maintenance. In this regard, the Air Force cites a request for clarification in which the agency asked RTS to:

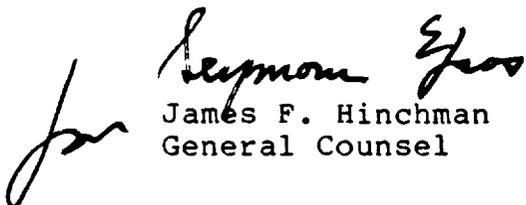
"provide an expansion of Form 3, Staffing by location. . . The Government intent is to have visibility of manpower levels, mix and identification of skills by SOW paragraph to the operating sites or work locations where work is performed. A description of qualifying criteria for each skill level is also required."

In addition to the clarification request cited by the Air Force, we have also examined the 31 additional clarification requests and 9 deficiency reports sent to RTS, and find these did adequately bring to RTS's attention the agency's concerns with RTS's staffing. For example, the agency requested RTS to provide additional information on how it intended to meet the solicitation requirements for operational analysis with the proposed manpower and to clarify why its proposal to allocate a substantial portion of the base maintenance staff to performing minor construction would not result in "devastating the routine and preventive maintenance work." Although the Air Force did not provide specific questions or comments with respect to all of the specific SOW requirements for which RTS had proposed insufficient staff, the agency did express more general concerns which encompassed RTS's overall approach to staffing these requirements. In this regard, the agency questioned whether RTS's assumption that it would not need to support 24-hour operations except where specifically required by the SOW provided the flexibility necessary to deal with the "dynamic scheduling and long duration test

activities" which the agency anticipated. In addition, the Air Force asked RTS whether its proposed manning levels "reflect the total FY [fiscal year] manning for each SOW [paragraph], including the fluctuating peak level workload requirements as satisfied [through RTS's workload surge response plan]. . . , or do you anticipate some SOW paragraphs will require additional manning levels?"

In view of RTS' recognition as the incumbent contractor that it was proposing a significant reduction in staffing from its prior contract, we conclude that the agency communicated the essence of its concerns and sufficient information to allow RTS to identify and address the primary weakness in its proposal. Since it does not appear from the record that RTS's proposal was technically unacceptable, that is, that the agency had finally determined that it was impossible to perform the SOW with the proposed overall level of effort, we do not believe that the agency was required to be more specific during discussions. In particular, the agency was required neither to label the staffing approach as a deficiency nor to recommend a specific staffing level. RTS was afforded a reasonable opportunity to explain why its proposed staffing was adequate to perform the SOW and/or to revise its staffing approach. The Air Force therefore satisfied the requirement to conduct meaningful discussions.

The protest is denied.

A handwritten signature in cursive script, appearing to read "James F. Hinchman".

James F. Hinchman
General Counsel