

C. Evans



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Reflectone Training Systems, Inc.

File: B-240951

Date: December 10, 1990

Rand L. Allen, Esq., Wiley, Rein & Fielding, for the protester.
Gregory H. Petkoff, Esq., and Lt. Col. Robert A. Tepfer, Esq., Department of the Air Force, for the agency.
Catherine M. Evans and John M. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest that agency failed to point out deficiency in manning area of protester's proposal during discussions is denied where agency's second request for best and final offer clearly led protester into area of deficiency, asking how protester planned to accomplish the required work with its proposed manning levels.
2. Protest that agency improperly relied on undisclosed manning estimates in technical evaluation of proposals is denied where estimates were based on solicitation requirements and merely reflected the agency's judgment concerning the minimum number of personnel necessary to perform the work; disclosure of such estimates is not required.
3. Decision not to award to lowest-priced offeror was unobjectionable where agency reasonably concluded that the proposal represented a significant performance risk and that the technical superiority of another offeror's proposal outweighed its cost advantage.

DECISION

Reflectone Training Systems, Inc. protests the award of a contract to UNC Support Services under request for proposals (RFP) No. F41689-90-R-0013, issued by the Department of the Air Force for flight simulator instructors in support of the Contract Simulator Instructor (CSI) program at Reese Air Force Base, Texas. Reflectone alleges that the Air Force improperly evaluated its proposal, failed to address certain perceived deficiencies during discussions, and improperly awarded the contract to a higher-priced offeror.

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We deny the protest.

The RFP required offerors to submit fixed prices for simulator training for T-37 and T-38 aircraft for a base year and 4 option years, based on estimated annual mission load requirements. The RFP provided that award would be made to the firm submitting the offer considered most advantageous to the government, which determination would be based on a combination of technical excellence and total price, with technical capability more important than price. In this regard, the RFP informed offerors that "manpower is substantially more important than any of the other technical evaluation criteria," and that "marginally acceptable levels of manning may result in the entire proposal receiving an unfavorable rating." Proposals, to be evaluated by the source selection evaluation team (SSET), would receive a color-coded rating for each evaluation factor: blue (exceptional), green (acceptable), yellow (marginal), or red (unacceptable). In addition, each technical proposal was to be evaluated in terms of the risk it presented (high, medium or low). The RFP advised that cost proposals would not be given a color code but would be evaluated for completeness, reasonableness and realism.

All nine firms submitting initial proposals were determined to be in the competitive range. Following discussions and two rounds of best and final offers (BAFO), offerors were ranked as follows:

<u>Offeror</u>	<u>Technical Rating</u>	<u>Risk</u>	<u>Cost (millions) 1/</u>
Offeror A	Blue -	Low	\$ 10.2
UNC	Green +	Low	7.1
Offeror C	Green +	Low	8.1
Offeror D	Green	Low	9.4
Offeror E	Green	Medium	8.3
Offeror F	Green -	Medium	6.8
Reflectone	Yellow +	Medium	6.6
Offeror H	Yellow +	High	10.5
Offeror I	Yellow +	High	9.7

The SSET determined that UNC's relatively high-ranked proposal with its low risk and relatively low cost was the most advantageous to the government, and recommended to the Source Selection Authority that award be made to UNC. Upon learning

1/ The agency report contains several sets of cost figures based upon different analyses; those reported here are based upon the agency's "best estimated quantities" and do not include costs for additional support missions or award fees.

of the ensuing award to UNC, Reflectone filed this protest on August 28. Reflectone received a debriefing from the Air Force on August 29, and supplemented its protest grounds on September 13.

Reflectone alleges that the Air Force employed "secret" evaluation criteria in determining that Reflectone's proposal did not meet the agency's minimum requirements for manning, the most important evaluation factor, and that the Air Force then did not inform the firm of any deficiency in this area during discussions. Noting, furthermore, that the downgrading of its proposed manning seems to have been based on its proposed use of part-time instructors--who would work an average of 20 hours per week, about 25 percent of the time-- Reflectone points out that the RFP actually suggested the use of part-time employees as a possible approach, and argues that it thus should not have been penalized for offering this approach. Reflectone concludes that its low rating in the manning category was improper and that, as its other perceived weaknesses were comparatively minor, any remaining differences between Reflectone's and UNC's proposals could not have justified award to UNC at the higher price.

The Air Force responds that it was not required to disclose its minimum manning requirements, as offerors should have been able to discern them from the RFP and that, in any case, it informed Reflectone of its concern regarding the proposed manning levels in its second BAFO request. Further, the Air Force states that Reflectone's proposal was downgraded, not for its proposed use of part-time personnel, per se, but because its proposed manning levels did not appear to account for the fact that many of the people would only be working half of the time. As a result of the manning deficiency and other weaknesses, the agency states, Reflectone's technical proposal was rated a strong yellow, or slightly better than marginal, with moderate risk. UNC's proposal, on the other hand, was rated a strong green, with low risk; the agency determined that UNC's stronger technical approach and corresponding lower risk were worth a somewhat higher price.

The determination of the relative merits of proposals is primarily a matter of agency discretion which we will not disturb unless it is shown to be unreasonable or inconsistent with the stated evaluation criteria. Systems & Processes Eng'g Corp., B-234142, May 10, 1989, 89-1 CPD ¶ 441. A protester's mere disagreement with the agency's judgment does not render that judgment unreasonable. Id.

Based upon our review of the record, we find that the agency's evaluation of Reflectone's proposal was reasonable and consistent with the evaluation criteria specified in the RFP. Reflectone's BAFO submission included two charts, one

representing proposed manning levels and the other representing actual personnel. While the manning level chart proposed levels for each year that met or exceeded the Air Force's internal estimates based on the RFP requirements, the personnel chart did not indicate sufficient personnel to meet the proposed manning levels. For example, in the base year and first option year, the Air Force's minimum manning estimates were 39 and 36, respectively. Likewise, Reflectone's manning level chart proposed an instructor manning level of 39 for the base year and for the first option year, and the personnel chart indicated that a total of 39 instructor personnel would be assigned to the contract during those years. However, according to Reflectone's personnel chart, 30 of its instructors during those 2 years would be full-time and 9 would be part-time. Thus, based on this chart Reflectone's actual manning, stated in full-time equivalents, was only 34.5.

Similarly, for the second option year, the Air Force estimated a minimum instructor manning level of 33. Reflectone proposed a manning level of 36 but, again, its personnel chart indicated that 9 of the instructors would be part-time, for a full-time equivalent manning level of 31.5. This discrepancy between Reflectone's stated manning levels and their full-time equivalents increased during the third and fourth option years, as Reflectone's ratio of part-time to full-time personnel increased. Thus, it was clear to the Air Force from Reflectone's proposal that the firm's proposed manning did not meet the agency's minimum requirements. As the RFP clearly conveyed the importance of the manning levels in the evaluation, the evaluators properly downgraded Reflectone's proposal in this area.

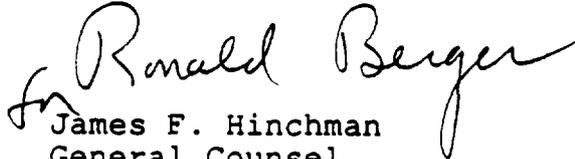
We do not agree with Reflectone that the Air Force was required to disclose its minimum manning estimates to offerors in the RFP. An agency is not required to disclose in the solicitation a manning estimate developed to assess the adequacy of proposed personnel. Burnside-Ott Aviation Training Center, Inc.; Reflectone Training Sys., Inc., B-233113, B-233113.2, Feb. 15, 1989, 89-1 CPD ¶ 158. The only requirement is that the RFP place offerors on notice that this is an area which will be evaluated, as the solicitation here clearly did. Id.

We also reject Reflectone's argument that it was not informed of the manning deficiency during discussions. Discussions are adequate where the agency leads offerors into areas of their proposals considered deficient. Honeywell Regelsysteme GmbH, B-237248, Feb. 2, 1990, 90-1 CPD ¶ 149. In its second request for BAFOs, the Air Force asked Reflectone to "explain how you plan to perform the work with the number of manhours in the current BAFO." While this question may not have specifically

indicated that the proposed part-time approach was the cause of the manning deficiency, it clearly put Reflectone on notice that its proposed manning levels were in question. This was sufficient notice under the above standard.

As for Reflectone's assertion that the technical superiority of UNC's proposal did not justify award to UNC at a higher price, agency 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 subject only to the test of rationality and consistency with the established evaluation factors. Institute of Modern Procedures, Inc., B-236964, Jan. 23, 1990, 90-1 CPD ¶ 93. Here, the RFP provided that technical factors were more important than price. In view of our conclusion that the Air Force reasonably found Reflectone's proposal deficient in the important manpower area, we find that the agency had a reasonable basis for determining that the difference in technical merit between the Reflectone and UNC proposals outweighed their difference in price. In this regard, the Air Force notes that it did not select the highest-ranked offeror for award because its slight technical advantage over UNC did not outweigh its \$3 million price premium.

The protest is denied.


James F. Hinchman
General Counsel