



Comptroller General
of the United States
Washington, D.C. 20548

REDACTED VERSION

Decision

Matter of: Defense Group, Inc.
File: B-253795
Date: October 25, 1993

David R. Hazelton, Esq., Edward J. Shapiro, Esq., and Martin F. Petraitis, Esq., Latham & Watkins, for the protester.
Joel R. Feidelman, Esq., Anne B. Perry, Esq., and Larry E. Ruggiero, Esq., Fried, Frank, Harris, Shriver & Jacobson, for Science Applications International Corporation, an interested party.
David C. Rickard, Esq., Defense Nuclear Agency, for the agency.
David A. Ashen, Esq., and John M. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest against exclusion of proposal from competitive range for informational deficiencies rendering proposal technically unacceptable is denied where request for proposals called for detailed information, and the informational deficiencies called into question the protester's understanding of the required contract effort and were so pervasive that correction would require a major rewrite.
2. Agency reasonably determined to amend rather than cancel request for proposals after receipt of initial proposals where the additional required effort amounted to an increase of only 12.3 percent in the overall contract effort and the nature of the additional effort was the same as that already required under the solicitation as issued.

DECISION

The decision dated October 25, 1993, contained confidential or source selection sensitive information and was subject to a General Accounting Office protective order. This version of the decision has been redacted. Deletions in text are indicated by "[deleted]."

Defense Group, Inc. (DGI) protests the Defense Nuclear Agency's (DNA) award of a contract to Science Applications International Corporation (SAIC), under request for proposals (RFP) No. DNA001-92-R-0067, for arms control systems engineering and technical assistance support services. DGI challenges the elimination of its proposal from the competitive range.

We deny the protest.

The solicitation as issued contemplated award of a cost-plus-award-fee contract for up to 5 years--including a 3-year base period and two 1-year options--to provide scientific, engineering and technical assistance with respect to the research, development, test, and engineering of "arms control and verification, compliance, implementation, and dismantlement technology." The solicitation as issued required a level-of-effort of 226,800 hours during the base period and 75,600 hours during each option period. For purposes of proposal planning, the RFP furnished the government's initial work load estimates apportioning the hours among four tasks, including (1) technical assessments and research (45 percent); (2) systems engineering and integration (30 percent); (3) test and evaluation (15 percent); and (4) software and automated systems development (10 percent). Subsequent to DGI's exclusion from the competitive range, DNA amended the solicitation to delete the award fee (replacing it with a fixed fee) and to add an option for an additional 37,200 hours during the first contract year in the area of the safe and secure dismantlement of weapons of mass destruction. The amendment did not alter the stated apportionment of the work among the four tasks.

The solicitation provided for award to be made "primarily on the basis of technical/management superiority," with "realism of price proposals" being "carefully considered." The technical/business management factor encompassed, in descending order of importance, the following four evaluation criteria: (1) other staff personnel and consultants; (2) understanding the problem, as demonstrated by the submission of three white papers on tasks listed in the statement of work (SOW); (3) experience and availability of the principal investigator; and (4) corporate assets and resources.

SAIC (the incumbent contractor), DGI and Kaman Sciences Corporation submitted proposals in response to the solicitation. Based upon its evaluation of initial proposals, DNA included only SAIC's and Kaman's proposals in the competitive range. The agency excluded DGI's proposal on the basis that it was technically unacceptable and not susceptible of being made acceptable without major revision.

The proposals were evaluated as follows:

	SAIC	Kaman	DGI
Staff (45 available points)	34.875	30.5	27.875
Understanding (25 available points)	21	20.125	17.375
Principal Investigator (20 available points)	14.5	18.5	11
Corporate Assets (10 available points)	10	9.75	5.675
Total (100 available points)	80.375	78.375	61.875
Proposed Cost	[deleted] million	[deleted] million	[deleted] million

DNA concluded that DGI's proposal contained "pervasive deficiencies and weaknesses" that could not be corrected without a major revision and thus was technically unacceptable; DNA therefore excluded it from the competitive range. For example, with respect to proposed staff (other than the principal investigator), the most important evaluation criterion, DNA found that DGI had identified personnel accounting for only [deleted] manyears of effort per year, approximately [deleted] of the level-of-effort established by the solicitation. In addition, DNA generally found that the identified staff lacked the depth and breadth of experience necessary to cover all of the areas encompassed within the SOW; the agency particularly expressed concern over the lack of experience in safe and secure dismantlement. DNA determined that, in contrast, SAIC had identified personnel accounting for [deleted] manyears of effort per year and who possessed experience in all of the SOW task areas. Further, DNA found that although the personnel proposed by Kaman accounted for only [deleted] manyears of effort, a total of [deleted] individuals (besides the principal investigator) had been identified, and, according to the agency, they possessed significant talent, experience and capability.

Although DGI proposed a cost of [deleted], including a base fee of [deleted] percent, it failed to include the costs associated with the award fee available to the contractor. Given a 7-percent fee, the level earned under the current contract, DGI's proposed cost would entitle it to an additional fee of [deleted].

In addition, DNA questioned DGI's offer of a principal investigator who would be available for only 77 percent of the time and who, based on the description of his experience included in the proposal, appeared to possess more expertise in program management than in the required areas of arms control. In contrast, Kaman's proposed principal investigator was available on a full-time basis, and was an "outstanding selection" who was "exceptionally well qualified with an excellent background in science and policy." SAIC's investigator likewise was available on a full-time basis; the agency evaluated him as possessing "relevant arms control experience" and "true strengths in nuclear/military matters," and as being a "proven leader and manager" who was familiar with and understood DNA.

DNA also questioned DGI's understanding of the arms control problems facing the agency. The agency found that the required white papers submitted by DGI had reflected not only a lack of knowledge of "the organization, responsibilities or functions" with respect to safe and secure dismantlement, but also an overall failure to understand DNA's "general task and role in verification and arms control." DNA found that, in contrast, SAIC's proposal "clearly demonstrated a thorough knowledge of the effort/understanding of the problem"; the agency also evaluated Kaman's understanding as superior to DGI's. Further, while DNA evaluated Kaman's technical facilities and assets as "first rate" and SAIC's as meeting all of the requirements and offering "access to everything we need," the agency found DGI's proposal to be incomplete in this area. DGI neither proposed a specific dedicated facility for verification research, nor identified possible locations for establishing one. DNA also considered it a weakness that DGI had proposed to establish a Moscow field office only after contract award. DNA concluded that, given the weakness of DGI's proposed staff, its lack of understanding of DNA's role generally and of the safe and secure dismantlement mission in particular, and its lack of a current or specific proposed facility, an unacceptable delay would result before DGI could make a meaningful contribution to DNA's mission. Award to DGI therefore would be "extremely risky."

DGI contends that its proposal was improperly excluded from the competitive range because of informational deficiencies which it could have corrected. According to the protester, had DNA conducted discussions with respect to the perceived weaknesses in its proposal, DGI could have furnished additional information concerning the qualifications of its proposed principal investigator, the experience of its president with respect to the safe and secure dismantlement of nuclear weapons, additional potential staff it had available, and the office space it intended to use.

An offeror must submit an initial proposal that is adequately written and that affirmatively states its merits, or run the risk of having its proposal rejected as technically unacceptable. Source AV, Inc., B-234501, June 23, 1989, 89-1 CPD ¶ 578. Generally, offers that are technically unacceptable as submitted and would require major revisions to become acceptable are not required to be included in the competitive range for discussion purposes. W.N. Hunter & Assocs.; Cairar Def. Support Co., B-237259; B-237259.2, Jan. 12, 1990, 90-1 CPD ¶ 52. In reviewing whether a proposal was properly rejected as technically unacceptable for informational deficiencies, we examine the record to determine, among other things, whether the RFP called for detailed information and the nature of the informational deficiencies--for example, whether the deficiencies tended to show that the offeror did not understand what it would be required to do under the contract. BioClean Med. Sys., Inc., B-239906, Aug. 17, 1990, 90-2 CPD ¶ 142; DRT Assocs., Inc., B-237070, Jan. 11, 1990, 90-1 CPD ¶ 47. We will not reevaluate a proposal but, rather, will consider only whether the agency's evaluation was reasonable and consistent with the evaluation scheme in the RFP. Communications Int'l, Inc., B-238810; B-238810.2, July 3, 1990, 90-2 CPD ¶ 3.

The evaluation here, and the resultant exclusion of DGI's proposal from the competitive range, was reasonable. The RFP generally warned that "[i]t is important that adequate and specific information be furnished. . . . Assurances of experience, capability or qualifications, without a clear demonstration to support the claim, will adversely influence the evaluation of the proposal." The RFP also required specific information in each of the areas in which DGI's proposal was found lacking. For example, the solicitation required that offerors identify and furnish a biography for staff personnel and consultants and that such personnel and consultants have expertise in the areas of arms control and disarmament, nuclear force structure and operations, treaty compliance implementation issues, conventional force structure and operations, chemical weapons and production, safe and secure dismantlement of weapons of mass destruction, intelligence capabilities and resources, systems engineering, software integration, and test and evaluation. Further, while the RFP did require that the principal investigator be experienced and knowledgeable in program management, it also specifically required that he:

"[b]e a demonstrated expert in arms control, verification (both through on-site and National Technical Means), nuclear force structure issues, conventional force structure issues, chemical weapons matters, and safe, secure dismantlement of weapons of mass destruction. . . .

"The proposal should demonstrate the [principal investigator's] prominence in these areas."

The solicitation further required that the white papers submitted by offerors "clearly demonstrate that the Bidder understands the issues involved and how they interact," including issues associated with "Disablement/Dismantlement challenges." Finally, the RFP advised offerors that their proposals "should demonstrate clearly" their capabilities with respect to technical facilities and corporate resources, and establish whether there was "long term stability and diversified capabilities" and facilities or connections in Moscow in Russia and in Albuquerque, New Mexico. In sum, the RFP was very specific about the information that offerors were to include in their proposals.

DGI generally does not dispute DNA's determination that its proposal failed to identify staff with the required depth and breadth of experience covering all of the areas encompassed within the SOW, including safe and secure dismantlement, that its description of the experience of its proposed principal investigator indicated more expertise in program management than in the required areas of arms control, that its white papers failed to establish an understanding of the safe and secure dismantlement function (as well as an overall knowledge of DNA's general tasks and roles in arms control), and that its proposal failed either to offer a specific existing facility or to demonstrate its ability to establish the necessary facility. Rather, the firm suggests that it could have corrected these deficiencies had it been included in the competitive range for discussion purposes. However, given the extensiveness of the informational deficiencies, we find no basis to question DNA's determination that these omissions rendered DGI's proposal so deficient that their correction through discussions would necessitate a major revision of the proposal. Given this finding and the RFP's specific request for the omitted detailed information, DNA's exclusion of DGI's proposal from the competitive range was reasonable.

DGI also argues that amendment of the RFP (after the exclusion of its proposal) to add 37,200 hours during the first contract year in support of DNA's safe and secure dismantlement mission constituted a material change in the solicitation which required the agency to cancel the solicitation and issue a new one. We disagree.

Federal Acquisition Regulation (FAR) 15.606(c)(4), provides that:

"[i]f a change [to a solicitation] is so substantial that it warrants complete revision of a solicitation, the contracting officer shall cancel the original solicitation and issue a new one, regardless of the stage of the procurement."

We agree with DNA that, notwithstanding the addition of more safe and secure dismantlement effort, the basic nature of the contemplated overall contract effort was not substantially changed; rather, it remained substantially the same. The additional hours added by the amendment amounted to an increase of only 12.3 percent in the overall effort,³ and the nature of the additional effort--safe and secure dismantlement--was the same as that already required under the RFP. The increased effort also had nothing to do with the elimination of DGI's proposal from the competitive range. We conclude therefore that the agency was not required to cancel the RFP as a result of the increase in the required effort. See Di Frances Co., B-245492, Oct. 9, 1991, 91-2 CPD ¶ 323; Claude E. Atkins Enters., Inc., B-241047, Jan. 15, 1991, 91-1 CPD ¶ 42.

The protest is denied.

James F. Hinchman
General Counsel

³DGI, noting that the amendment only added work to the first contract year, claims that additional safe and secure dismantlement effort will be required in the second and subsequent years. We note, however, that DNA has committed itself to competing any additional requirements for such work. (The agency views the amendment as an interim measure, intended to address the apparently increasing need for safe and secure dismantlement effort pending a more definite determination of the future requirements in this area and the best means of satisfying them.)