



Comptroller General  
of the United States

Washington, D.C. 20548

5-2612

## Decision

**Matter of:** Ameriko-OMSERV  
**File:** B-252879.5  
**Date:** December 5, 1994

Christopher Solop, Esq., Ott, Purdy & Scott, for the protester.

Charles H. Carpenter, Esq., Pepper, Hamilton & Sheetz, for DTH Management Group, an interested party.

Cynthia S. Guill, Esq., Department of the Navy, for the agency.

Robert Arsenoff, Esq., and John Van Schaik, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

### DIGEST

1. Protest alleging a lack of meaningful discussions is denied where agency led protester into an area of its proposal in need of amplification.

2. Protest alleging improper evaluation of corporate experience is denied where agency considered all types of experience listed in the solicitation and protester merely disagrees with the evaluators' conclusions.

3. Protest alleging that agency performed an inadequate price analysis is denied where record establishes that the analysis performed was in accordance with the requirements of the procurement regulations.

### DECISION

Ameriko-OMSERV protests the award of a contract to DTH Management Group under request for proposals (RFP) No. N63387-93-R-5019, issued by the Department of the Navy for maintenance and repair of military family housing units in the San Diego area. Ameriko alleges that the Navy failed to conduct meaningful discussions, improperly evaluated corporate experience, and failed to perform a proper evaluation in light of DTH's low price.

We deny the protest.

The RFP provided that award would be made to the offeror whose proposal was most advantageous to the government.

considering price and technical factors, which were considered to be of approximately equal importance. The RFP listed 10 equally weighted technical subfactors grouped under 4 factors: performance administration (3 subfactors); quality of workmanship (3 subfactors); timeliness (2 subfactors); and contractor experience (2 subfactors).<sup>1</sup> Price was to be evaluated for reasonableness and realism.

Ten offers were received by the first closing date of June 2, 1992. Although originally evaluated as unacceptable, Ameriko's offer was reevaluated and determined to be acceptable and therefore was included in the competitive range. Discussions were conducted in October 1992. As is pertinent to this protest, by letter dated October 2, the firm was advised that it needed to detail the size and composition of its work force to ensure timely performance and provide information regarding the material support to be provided in that effort. Ameriko was also asked to fully identify its relevant experience. Ameriko submitted a revised best and final offer (BAFO), which was ranked fifth overall technically, and was eventually selected for award. DTH, which had been ranked first technically, protested. We sustained DTH's protest and recommended that discussions be reopened and another round of offers evaluated. DTH Management Group, B-252879.2; B-252879.3, Oct. 15, 1993, 93-2 CPD ¶ 227.

On December 16, 1993, the agency initiated another round of oral and written discussions. Ameriko was explicitly advised that the "Government will not request further information related to [Ameriko's] technical proposals since our concerns were addressed [in the October 2, 1992, discussions letter which included a] BAFO request." Oral discussions were conducted on February 23, 1994, and Ameriko asked if it could submit a revised technical proposal to enhance its competitive position. The contracting officer

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<sup>1</sup>In its comments on the agency report, Ameriko misconstrues this evaluation methodology arguing that the agency should not have considered performance administration and quality of workmanship to be more important than the other two factors. On the contrary, because they contained more subfactors, performance administration and quality of workmanship were of slightly more significance than the other two factors. In any event, we note that if the agency had considered timeliness and contractor experience to be equal to performance administration and quality of workmanship--as Ameriko urges--the protester's competitive position would have been diminished since increased emphasis would have been placed on the factors where Ameriko scored lowest.

replied in the affirmative and referred Ameriko to the earlier correspondence pointing out deficiencies. Six firms submitted BAFOs. DTH was ranked first technically with a price of \$44,584,841; Ameriko was ranked fourth technically with a price of \$44,982,178. DTH was awarded the contract and Ameriko was advised of the award on July 1. A debriefing was held on July 14 and this protest was filed on July 26.

Ameriko initially alleges that the agency did not conduct adequate discussions in the second round concerning the need to detail its plans for providing material support under the timeliness factor. The protester essentially complains that, since it received the award initially, it had no reason to believe that it remained deficient in this area.

An agency satisfies the requirement for meaningful discussions when it notifies an offeror of a weakness in its proposal during the initial round of discussions so as to lead the offeror into the area of its proposal requiring amplification. Crowley Maritime Salvage, B-234555, June 13, 1989, 89-1 CPD ¶ 555.

Here, on October 2, 1992, the protester was specifically informed of the deficiencies in its proposal relating to material support. In February 1994, the protester was referred to the earlier correspondence when the firm asked if it could enhance its technical proposal. Thus, in our view, the agency in both the first and second rounds of discussions discharged its duty to point out weaknesses relating to material support and we, therefore, deny this aspect of the protest.

Next, Ameriko alleges that the agency improperly evaluated its proposal under the corporate experience factor, which contained two subfactors:

"(i) High dollar contracts or numerous varied dollar contracts [and]

"(ii) Managing Housing (or Base) Maintenance Contracts."

The evaluation of technical proposals is a function of the contracting agency and in considering protests against an agency's evaluation of proposals, we will examine the record to determine whether the evaluation was fair, reasonable, and consistent with the stated evaluation criteria. Peterson Builders, Inc., B-244614, Nov. 1, 1991, 91-2 CPD ¶ 419. A protester's disagreement with the agency's evaluation does not itself render the evaluation unreasonable. Id.

Ameriko specifically contends that the agency placed too much emphasis on its lack of experience with high dollar contracts in assigning an "acceptable" rating for the first listed subfactor and submits that the agency failed to take into account its experience with numerous varied dollar contracts.

In the agency report, the Navy points out that both types of contract experience were considered. With regard to high dollar contracts, the record reflects that, although the protester listed a number of such contracts, they did not come close to equaling the value of this contract, either individually or collectively. With regard to varied dollar contracts, although Ameriko also listed a number of these, the Navy reports that the combined dollar value of all of them also did not approximate the value of this contract. Since, according to the Navy, the subfactor was intended to gauge an offeror's ability to manage a contract of the size anticipated by the solicitation either through a demonstration of experience with comparable high dollar contracts or concurrent experience with a number of varied dollar contracts which aggregated to the size of the contract to be awarded, the agency submits that it reasonably evaluated Ameriko's experience as merely acceptable.

In its comments on the agency report, Ameriko does not rebut the agency's analysis. Accordingly, we are presented with nothing more than a generalized disagreement with the evaluators' conclusions and, as indicated above, this does not provide a basis for disturbing the evaluation. Peterson Builders, Inc., supra.

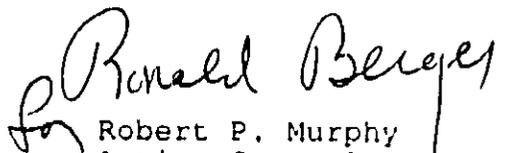
Finally, Ameriko alleges that the agency failed to take into account the performance risk inherent in DTH's low-priced proposal and submits that, had a proper price analysis been performed, the Navy would have determined that the protester's proposal presented the government with the best overall value.

The depth of an agency's price analysis is a matter within the sound exercise of the agency's discretion and we will not disturb such an analysis unless it lacks a reasonable basis. Management Technical Servs., B-251612.3, June 4, 1993, 93-1 CPD ¶ 432. Federal Acquisition Regulation (FAR) § 15.805-2 outlines a number of acceptable price analysis techniques available to a contracting officer including comparing offerors' prices to one another. FAR § 15.805-2.

Here, the record shows that the Navy performed a line item-by-line item comparison of DTH's prices to those of its competitors and concluded that the firm's prices were realistic and reasonable, especially in light of the fact that there was only approximately a 2 percent overall difference between DTH's price and Ameriko's. The agency also found as a part of its price analysis that DTH--the incumbent--had demonstrated a clear understanding of the Navy's technical requirements and, in the context of its responsibility determination, examined DTH's financial capability and concluded that the offeror could successfully perform the fixed-price contract at the price proposed.

In view of the agency's use of a FAR-authorized price analysis technique and the fact that DTH's price was only slightly less than Ameriko's, the record does not establish that the agency reached an unreasonable conclusion concerning the awardee's ability to perform or that further price analysis would have resulted in an award to Ameriko as alleged by the protester.

The protest is denied.

  
for Robert P. Murphy  
Acting General Counsel