



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

## Decision

**Matter of:** Reflectone Training Systems, Inc.; Hernandez Engineering, Inc.

**File:** B-261224; B-261224.2

**Date:** August 30, 1995

Larry D. Harris, Esq., and Daniel J. Moynihan, III, Esq., Piper & Marbury, for Reflectone Training Systems, Inc.; and J. Michael Slocum, Esq., Slocum, Boddie & Murry, for Hernandez Engineering, Inc., the protesters.  
Donald A. L'Esperance for MEI Technology Corporation, the interested party.  
Roger E. Willmeth, Esq., and Robert D. M. Allen, Esq., Department of the Air Force, for the agency.  
Aldo A. Benejam, Esq., and Ralph O. White, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

### DIGEST

1. Protesters' contention that request for proposals (RFP) for cockpit resource management courseware development and training required offerors to propose traditional, instructor-based classroom training is denied where, reading the RFP as a whole, and in a manner that is reasonable and which gives effect to all its provisions, the RFP did not preclude offerors from proposing computer-based methods of instruction.
2. Protesters' contention that the agency improperly evaluated proposals is denied where the record shows that the agency evaluated in accordance with the criteria announced in the solicitation, and the record reasonably supports the evaluators' conclusions.
3. Agency conducted meaningful discussions where the record shows that the agency held discussions based on items consistent with the weaknesses and deficiencies identified in the protesters' proposals, and those items sufficiently alerted the protesters to specific areas of their proposals considered weak or deficient and requiring further explanation.
4. Award to offeror submitting a higher-rated, higher-price, low-risk proposal is unobjectionable, where the evaluation scheme announced in the solicitation gave more weight to the management and technical areas than to price, and the source

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selection authority reasonably concluded that awardee's superior proposal was worth the premium.

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## DECISION

Reflectone Training Systems, Inc. (RTS) and Hernandez Engineering Inc. (HEI) protest the award of a contract to MEI Technology Corporation under request for proposals (RFP) No. F44650-94-R0014, issued by the Department of the Air Force to provide cockpit resource management (CRM) courseware development and training.<sup>1</sup> The protesters' contentions may be summarized as follows: the RFP required offerors to propose traditional, instructor-based, CRM training (rather than computer-based training, as MEI proposed); the Air Force improperly evaluated proposals; failed to conduct meaningful discussions; and made an unreasonable price/technical tradeoff decision.

We deny the protests.

## BACKGROUND

The RFP, issued on August 15, 1994, contemplated the award of a fixed-price contract for a 60-day phase-in period, with up to four 1-year option periods. For the phase-in period, and for each option period, offerors were required to submit fixed prices for all contract line items, a total price for each performance period, and a total for all periods.

Section M of the RFP stated that proposals would be evaluated in the following three primary areas, listed in descending order of performance: management, technical, and price. The RFP stated that within the management and technical areas, proposals would be evaluated in three ways: a color/adjectival rating; a proposal risk rating; and a performance risk rating.<sup>2</sup> The color/adjectival ratings were to reflect how well the offeror's proposal met the evaluation standards, soundness of approach, and compliance with the solicitation requirements; proposal risk assessed the risks associated with the proposed approach; and performance

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<sup>1</sup>The CRM program consists of two phases—a contractor-taught phase, and an Air Force-taught phase. The courseware and training is to be applied to the Combat Air Forces on all types of Air Force Mission Designed Series (MDS) aircraft. The objective of the CRM program is to improve aircrew performance and situational awareness through task management, mission preparation, and interaction between the flight/crew members.

<sup>2</sup>The color/adjectival ratings are (1) blue (exceptional); (2) green (acceptable); (3) yellow (marginal); and (4) red (unacceptable). Risk ratings were high, moderate, or low.

risk assessed the probability of successfully accomplishing the proposed effort based on the offeror's relevant present and past performance history.

Within the management area, the RFP listed the following factors of equal importance which the evaluators would consider in evaluating proposals: (1) program management concept; (2) manning; (3) quality control; (4) training implementation; and (5) program maintenance. Within the technical area, the RFP announced the following two evaluation factors also of equal importance: (1) training program and courseware development capability; and (2) CRM data management program. Within each area or factor, each of the three ratings (color/adjectival, proposal risk, and performance risk) would be given equal consideration in the evaluation and selection decision.

Although price was not to be separately rated, the RFP stated that price would be evaluated for realism, completeness, and reasonableness. The RFP provided for award to the offeror whose proposal conformed to the solicitation requirements and, based on an integrated assessment of the evaluation factors announced in the RFP, was considered to be the most advantageous to the government.

Six offerors responded to the RFP by the time set on October 21, 1994, for receipt of initial proposals. A source selection evaluation team (SSET) evaluated initial proposals; the agency conducted written and oral discussions with five of the six offerors; and, based on the SSET's reevaluation of proposals following discussions, the contracting officer decided to retain RTS', HEI's and MEI's proposals in the competition and request best and final offers (BAFO) from those three firms.

The results of the final evaluation of proposals based on BAFOs were as follows:

	<u>Management</u>	<u>Technical</u>	<u>Price</u>
	<u>Rating/Risk</u>	<u>Rating/Risk</u>	<u>(in millions)</u>
MEI	BLUE/LOW	BLUE/LOW	\$16.9
RTS	GREEN/LOW	GREEN/LOW	7.05
HEI	GREEN/LOW	GREEN/LOW	8.32

The SSET summarized its evaluation findings in a final proposal analysis report, which included a description of the proposals and a comparative analysis of their strengths and weaknesses. Based on the SSET's final evaluation of proposals, the source selection authority (SSA) found that MEI presented an exceptional, state-of-the-art, computer-based approach to meeting the RFP's requirements. The SSA found that the aircrew trainees would be more receptive to MEI's proposed method of instruction than to either RTS' or HEI's traditional, lecture-based approach. In addition, the SSA noted that MEI did not rely as extensively on Air Force facilities or resources as did the protesters, thus alleviating logistical and scheduling concerns associated with HEI's and RTS' approach. Based on his assessment of the

SSET's evaluation of the three proposals, the SSA concluded that given the qualitative differences among the offerors' approaches, MEI's proposal offered the best overall value to the government, and awarded the contract to that firm. These protests followed.<sup>3</sup>

## PROTESTERS' CONTENTIONS

The protesters maintain that the RFP required instructor-based training (*i.e.*, traditional, lecture series, classroom instruction), as they proposed, and not computer-based training as MEI proposed. According to the protesters, MEI's proposal was improperly rated higher for offering a method of instruction not allowed by the RFP. The protesters thus maintain that the agency's evaluation of proposals was flawed. RTS and HEI also argue that the agency failed to conduct meaningful discussions, and that the agency conducted an unreasonable price/technical tradeoff.

## SOLICITATION REQUIREMENTS

RTS and HEI base their protests on their interpretation of the RFP as requiring offerors to propose instructor-based training exclusively. In support of that position, RTS points to various sections of the performance work statement (PWS), which refer to "instructors," "contract instructors," and "face-to-face interactive instruction," to argue that the only reasonable interpretation of the RFP is that the Air Force was seeking traditional, instructor- or lecture-based classroom training. RTS also argues that since the RFP stated that the Air Force would make available simulators and classrooms, the agency desired traditional classroom instruction.

Where a dispute exists as to the meaning of a solicitation requirement, we will resolve the matter by reading the solicitation as a whole, and in a manner that is reasonable and which gives effect to all its provisions. Honeywell Regelsysteme GmbH, B-237248, Feb. 2, 1990, 90-1 CPD ¶ 149. Further, we will not read a provision restrictively where it is not clear from the solicitation that such a restrictive interpretation was intended by the agency. MAR Inc., B-242465, May 6, 1991, 91-1 CPD ¶ 437. Applying those standards here, we find that, contrary to the protesters' assertions, the RFP did not preclude offerors from proposing a computer-based method of instruction, and that the protesters' interpretation of the RFP as limiting offerors to propose only instructor-based, classroom instruction, is not reasonable.

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<sup>3</sup>On May 4, the Air Force informed our Office that the head of the contracting activity responsible for awarding the contract had determined pursuant to 31 U.S.C. § 3553(d)(2)(A)(i) (1988), that it was in the government's best interest to authorize MEI to perform the contract notwithstanding the protests.

The RFP required offerors to provide all personnel, courseware development facilities, equipment, tools, materials, supervision, and other items and services necessary to perform "Courseware Development and CRM Training," in accordance with the PWS. Section 1 of the PWS contained general information concerning the CRM training development and delivery requirements, while the other sections of the PWS provided more details.

For example, the PWS stated that the contractor was to develop core training plans for aircraft and crew-specific training (formal training); Mission-Specific/Continuation Training; and Flight Instructor/Evaluator (I/E) and Ground Facilitator Training. Each core training plan was then to be tailored into MDS-specific training plans for the formal training units (FTU) and combat operational units. While other sections of the PWS described the requirements in greater detail, no section of the PWS, or of the RFP, required offerors to provide exclusively classroom or instructor-based CRM training.

As relevant to these protests, section 3 of the PWS, entitled "COURSE DESCRIPTIONS," specified that the CRM program was to be delivered as "a phased, building block approach that follows crew members through their professional development as defined in [Air Force Instruction (AFI)] 36-2243," (June 20, 1994).<sup>4</sup> Paragraph 8.1.2 of AFI 36-2243 specifically states that "[t]raining may be accomplished through lecture presentations, discussion groups, role-playing exercises, computer-based instruction, videotape examples of good and poor team behavior, and other techniques."<sup>5</sup> (Emphasis added.) Reading the solicitation as a whole, and in a manner that is reasonable and which gives effect to all its provisions, including AFI 36-2243, we cannot agree with the protesters that the RFP precluded offerors from proposing computer-based training. While RTS points to several RFP provisions which contain references to "instructors," those provisions cannot reasonably be read so restrictively as to preclude computer-based training. In sum, we conclude that the RFP did not preclude offerors from proposing, as MEI did here, computer-based training.

Both RTS and HEI also point to various statements in the source selection plan and in the minutes of the acquisition strategy planning meeting to support their position that the agency contemplated awarding a contract for instructor-based training. Even if we were to agree with the protesters' characterization of those statements,

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<sup>4</sup>AFI 36-2243 establishes requirements for developing and managing tailored, mission-specific cockpit/CRM training programs and requires CRM training for all Air Force aircrew members.

<sup>5</sup>Contrary to RTS' assertions, AFI 36-2243 was specifically incorporated into the PWS, and into section M of the RFP under the most important evaluation factor within the technical area by amendment No. 0002.

we regard those documents as providing internal agency guidance which do not establish legal rights and responsibilities such as to make actions taken contrary to those statements illegal and subject to our objections. See Indian Resources Int'l, Inc., B-256671, July 18, 1994, 94-2 CPD ¶ 29; Motorola, Inc., B-247937.2, Sept. 9, 1992, 92-2 CPD ¶ 334 (proposal evaluation guide is internal agency guidance which does not confer any rights on outside parties); Loral Fairchild Corp.-Recon., B-242957.3, Dec. 9, 1991, 91-2 CPD ¶ 524 (internal agency rules intended to help in defining the agency's minimum needs do not confer rights on private parties). Rather, the relevant inquiry is whether the agency adhered to law and regulation by evaluating proposals in accordance with the evaluation scheme announced in the RFP.<sup>6</sup>

RTS also points to the independent government estimate (IGE) developed for the procurement to argue that the Air Force must have anticipated awarding a labor-intensive or instructor-based effort, rather than an equipment-intensive, effort. While an IGE generally provides contracting agencies with a benchmark for testing the reasonableness, fairness, and completeness of proposed prices, the IGE does not prohibit the agency from concluding, as the Air Force did in this case, that MEI's price was reasonable given its approach.<sup>7</sup>

#### EVALUATION OF PROPOSALS

The protesters argue that the Air Force improperly upgraded MEI's proposal on the basis of advantages and strengths that were not related to RFP requirements. The protesters also contend that the agency improperly evaluated their respective proposals.

In reviewing a protest challenging an agency's technical evaluation, we examine the record to ensure that the agency's evaluation was reasonable and consistent with the stated evaluation criteria. See Abt Assocs. Inc., B-237060.2, Feb. 26, 1990, 90-1

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<sup>6</sup>RTS and HEI also argue that the agency should have amended the RFP to reflect its changed requirements (i.e., from soliciting strictly instructor-based training to computer-based training). As already explained, however, since the solicitation did not require offerors to propose exclusively instructor-based training, the protesters' arguments in this regard are without merit.

<sup>7</sup>RTS also argues that since the agency asserted that the procurement was exempt from certain requirements of the Federal Information Resource Management Regulation, this position demonstrates that the agency anticipated a labor-intensive, rather than an equipment-intensive effort. As already explained, however, the fact that the agency may have contemplated a particular approach prior to issuing the RFP is immaterial. The relevant inquiry is whether the agency evaluated proposals in accordance with the evaluation scheme announced in the RFP.

CPD ¶ 223. Based on our review of the record, we have no basis to question the agency's evaluation of proposals.

#### Evaluation of MEI's Proposal

MEI proposed to use "state-of-the-art," interactive media, including simulated cockpits for every mission and MDS. Among the strengths identified in MEI's approach, the SSET found that MEI fully addressed the most difficult hurdle to overcome associated with delivery of CRM training—that aircrews maintain interest during training and be receptive to the approach.<sup>8</sup> The SSET found that MEI's proposal "by far exceeded" the RFP's requirements and presented minimal risk. Another strength cited by the SSET was its unanimous finding that MEI proposed a unique approach to using interactive training with mobile training units (MTU), interactive courseware, and computer simulation. The SSET found that this approach would maximize operational effectiveness and combat capability. The evaluators were especially impressed with the fact that MEI's use of MTUs would relieve the Air Force commands from logistical and scheduling burdens of accomplishing aircrew training, and would provide extensive flexibility to adapt to changing training requirements. In contrast to RTS' and HEI's classroom approach, the SSET believed that aircrews would be more receptive to MEI's training method. Based on our review of the evaluation documents, including the final proposal analysis report, we have no basis to object to the SSET's rating MEI's proposal blue (exceptional) and low risk in both the management and technical areas.

RTS argues that the SSET improperly gave MEI's proposal a higher rating for not using Air Force simulators or facilities. According to the protester, the SSET's approach unfairly penalized RTS for proposing to use Air Force classroom facilities and simulators, even though the agency made those resources available under the RFP. This argument is without merit.

As RTS acknowledges, offerors were not required to use the Air Force facilities or simulators in their approach. Further, the fact that the agency made classroom facilities and simulators available under the RFP does not mean that proposing their use presented an optimum solution. Thus, we think that in evaluating MEI's proposal, the SSET reasonably considered the fact that MEI's approach relieved the agency of scheduling and logistical burdens associated with using Air Force facilities and simulators, while RTS' and HEI's approach did not.

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<sup>8</sup>For example, the fighter pilots would be able to operate a simulation device in concert with other pilots in simulated formation flying, unique and appropriate for their particular missions.

## Evaluation of HEI's and RTS' Proposals

HEI's proposal met all evaluation standards and was considered acceptable overall. Among the strengths that the SSET noted is that HEI is one of the incumbents currently providing CRM training on several aircraft. The SSET noted that as a result, HEI had the required staff to begin courseware development soon after contract award. In the firm's role as the incumbent CRM training provider, the SSET found that HEI had demonstrated the capability to effectively instruct crewmembers in heavy, multi-place aircraft, which the SSET noted as a strength in the proposal. The SSET also noted that HEI's proposal demonstrated a good understanding of the agency's needs.

The SSET found, however, several weaknesses with HEI's proposal. For example, the SSET found that the length of certain courseware "far exceeded" the PWS goals. HEI's proposed simulator utilization plan was vague, with a "questionable commitment" to use those simulators which the agency would make available for CRM training. HEI's staffing plan was also vague, raising several questions in the evaluators' minds concerning the effectiveness and number of proposed part-time instructors. In addition, HEI's quality control program relied extensively on one individual whom the SSET concluded was too busy to also be involved in the contemplated effort. The SSET also found that HEI was simply proposing a generic "off-the-shelf" CRM training program, that would not be as readily accepted by the aircrew trainees. Moreover, the SSET concluded that HEI's lecture-based approach would simply fill an annual training requirement, and would not fully meet the objectives of the CRM training program. As a result of these weaknesses, the SSET assigned HEI's proposal a risk rating of moderate under both the management and technical areas; HEI's proposal was ranked third. Based on our review of the record, we have no basis to question the evaluation of HEI's proposal.<sup>9</sup>

As for RTS, the SSET found that its proposal also satisfied the RFP's requirements with minimum risk. Although the SSET ranked RTS' proposal second overall, the SSET found significant differences between RTS' and MEI's top-rated proposal. For instance, the SSET found that RTS' proposed simulator plan would not enhance the standardization of training; that RTS' scheduling plan for Air Force-owned simulators had the potential of being disruptive of operations; and that, since

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<sup>9</sup>The RFP instructions required offerors to submit information concerning their past performance, including previous or current contract performance relevant to the proposed effort. Although some of the references contacted for MEI raised some concerns on prior contracts, the record shows that all contracting officers contacted to verify each offeror's performance history reported that all firms successfully executed their responsibilities under their respective contracts. We have no reason to question the agency's performance risk rating of MEI's proposal as low.



simulators are not uniformly available throughout the Air Force, some units would receive simulator training while others would not.

As with HEI's approach, the SSET concluded that RTS also proposed an "off-the shelf" "square filler" training program which would not be easily accepted by the fighter pilot community. The SSET found that RTS' proposed classroom lecture-based presentation approach would "just meet" annual training requirements, and that the overall presentation lacked imagination. The SSET concluded that RTS' proposal would not completely fulfill the intent of the CRM program objectives as outlined in AFI 36-2243, and would not maximize the operational effectiveness and combat capability of aircrews. As a result of these weaknesses, the SSET rated RTS' proposal green (acceptable), with low risk overall. Based on our review of the record, we have no basis to question the agency's evaluation of proposals.

## DISCUSSIONS

Both RTS and HEI contend that the agency failed to conduct meaningful discussions because the Air Force failed to apprise the firms of weaknesses or deficiencies in their respective proposals. According to RTS, the scope of discussions with the firm was "extremely limited," and, in any case, all of the agency's concerns were addressed in its responses to the clarification requests (CR) and deficiency reports (DR). HEI argues that if the agency had remaining concerns regarding its approach—such as, for instance, the length of its courseware—it should have raised those concerns during discussions.

Contracting officers must balance a number of competing interests in selecting matters for discussion based on the facts of each acquisition. Federal Acquisition Regulation § 15.610; Matrix Int'l Logistics, Inc., B-249285.2, Dec. 30, 1992, 92-2 CPD ¶ 452. They must point out weaknesses that, unless corrected, would prevent an offeror from having a reasonable chance for award. Department of the Navy—Recon., 72 Comp. Gen. 221 (1993), 93-1 CPD ¶ 422. We have reviewed the agency's discussion items here and conclude that the agency's approach to discussions was reasonable.

The record shows that the Air Force issued CRs and DRs to both RTS and HEI, pointing out those areas of their proposals needing further explanation or clarification. For each weakness and deficiency identified, the requests contained a specific reference to the evaluation area and factor affected; an explanation of the agency's view of the nature of the weakness or deficiency; and a summary of the SSET's conclusions regarding the effect of the weakness or deficiency on the proposals' acceptability. The record also shows that, in some cases, the agency conducted oral discussions as well to clarify responses to the CRs and DRs. Based on the record of discussions in this case, we conclude that the agency's discussion questions were consistent with the weaknesses and deficiencies identified in the protesters' proposals, and that the agency adequately pointed out those areas of the

proposals requiring further clarification or explanation. See ITT Fed. Servs. Corp., B-250096, Jan. 5, 1993, 93-1 CPD ¶ 6.

While the protesters correctly note that the agency did not raise during discussion every weakness with their respective proposals, the agency was not required to do so. Agencies are not required to afford offerors all-encompassing discussions. They need only lead offerors generally into the areas of their proposals that require amplification. TM Sys., Inc., B-228220, Dec. 10, 1987, 87-2 CPD ¶ 573. Where a proposal is considered acceptable and in the competitive range, an agency is not required to discuss every aspect of the proposal that receives less than the maximum score. Caldwell Consulting Assocs., B-242767; B-242767.2, June 5, 1991, 91-1 CPD ¶ 530. Here, as already explained, the agency's discussion questions reasonably led the protesters into specific areas of their respective proposals requiring clarification or explanation, and thus met the standard for meaningful discussions. See SeaSpace Corp., B-252476.2, June 14, 1993, 93-1 CPD ¶ 462. The fact that the protesters' responses to the CRs and DRs did not overcome the SSET's concerns sufficiently to raise their respective ratings above green (acceptable) does not establish that the discussions were inadequate.

#### AWARD TO MEI

The protesters contend that award to MEI at a higher price than they proposed was improper. In a negotiated procurement, there is no requirement that award be made on the basis of lowest price unless the RFP so specifies. Henry H. Hackett & Sons, B-237181, Feb. 1, 1990, 90-1 CPD ¶ 136. Price/technical tradeoffs may be made, and the extent to which one may be sacrificed for the other is governed only by the tests of rationality and consistency with the established evaluation factors. Grey Advertising, Inc., 55 Comp. Gen. 1111 (1976), 76-1 CPD ¶ 325. Awards to offerors with higher technical scores and higher prices are proper so long as the result is consistent with the evaluation criteria and the procuring agency reasonably determines that the technical difference is worth the cost premium. Bendix Field Eng'g Corp., B-241156, Jan. 16, 1991, 91-1 CPD ¶ 44. Here, we find that the agency had a reasonable basis to award to MEI at a higher price.

The SSA documented his decision in a detailed statement explaining the selection rationale. For example, the SSA specifically found that MEI's approach would meet the demands of scheduling flexibility, and that MEI did not rely on Air Force classrooms or simulators. The SSA found that MEI's approach of providing state-of-the-art CRM training at "the front door of the workplace," would relieve the agency from the burdens of scheduling resources and would avoid disrupting aircrew schedules. The SSA was particularly impressed with the fact that MEI's approach would communicate easily with aircrew members who are of the "computer and information generation." In sum, the SSA found MEI's proposal to be significantly superior to both HEI's and RTS'. The SSA concluded that the premium for MEI's exceptional approach would in the long run pay off in saving aircraft, government

property, and most importantly, the lives of the aircrew members. Under these circumstances, the SSA's determination that MEI's proposal was most advantageous to the government is unobjectionable. See A-Enters., Inc., B-255318, Feb. 18, 1994, 94-1 CPD ¶ 133.

RTS argues that the selection decision was inconsistent with the statement in section M of the RFP that price was to be a "substantial factor" in determining overall value and with the requirement in the Competition in Contracting Act of 1984 (CICA) to properly consider price in all evaluation decisions. See 10 U.S.C. § 2305(a)(2)(A) (1994). This argument is without merit.

While RTS disagrees with the SSA's judgment regarding the value of the technical superiority offered by MEI's proposal, the record clearly shows that the SSA expressly considered the magnitude of the price premium involved in award to MEI and specifically concluded that the technical advantages warranted the higher price.<sup>10</sup> Given that the technical and management factors were more important than price under the RFP, the SSA's conclusion is consistent with the evaluation criteria. Further, given that the SSA explicitly considered and weighed the price premium and the technical advantages associated with MEI's proposal, we cannot conclude that the SSA failed to give appropriate consideration to price as required by the RFP and consistent with CICA.

The protests are denied.

Robert H. Hunter for  
Robert P. Murphy  
General Counsel

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<sup>10</sup>In considering the overall difference in price among the proposals, the SSA stated that the higher price associated with MEI's offer translated into an additional \$500 per crewmember trained over the 5 years of the contract. While RTS characterizes this statement as an "attempt to mask" the price difference, RTS does not argue, and we see no basis in the record to conclude, that the SSA's calculation is incorrect.