



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

REDACTED DECISION

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Matter of: Continental Airlines, Inc.

File: B-258271.4

Date: July 31, 1995

Sally B. Pfund, Esq., Robert J. Martinez, Esq., and Barbara E. Wixon, Esq., Williams & Jensen, for the protester.

Monica H. Roye, Esq., for USAir, Inc., and Joel Stephen Burton, Esq., Ginsburg, Feldman and Bress, for United Air Lines, Inc., interested parties.

Michelle Harrell, Esq., and Janet L. Harney, Esq., General Services Administration, for the agency.

Peter A. Iannicelli, Esq., and Michael R. Golden, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest that agency's evaluation of proposals for air passenger transportation services was inconsistent with the request for proposals because it did not give sufficient weight to nonstop service is denied where it is clear from the evaluation record that nonstop service was given great weight because it was considered in the evaluation of more than one evaluation factor/subfactor, received credit both in terms of more technical points and reductions to offered price in the evaluation process, and the source selection plan specifically reserved the agency's right to select a higher-priced offer of nonstop service instead of a lower-priced offer of direct or connecting service if the price of the nonstop offer was not more than [DELETED] percent higher.

2. Where the agency evaluated the technical merit of proposals, calculated the dollar value of significant technical advantages, and adjusted proposed prices to reflect the value of individual proposals' technical advantages, a cost/technical tradeoff was accomplished and the source selection authority was not required to perform any further cost/technical tradeoff analysis in support of the award decision.

DECISION

Continental Airlines, Inc. protests request for proposals (RFP) No. FCXA-T4-940004-N which was issued by the General Services Administration (GSA) to obtain air passenger transportation services for a large number of domestic and international routes in fiscal year 1995. Continental contends that GSA improperly evaluated proposals.¹

We deny the protest.

Issued on May 3, 1994, the RFP solicited proposals to provide air transportation services for government employees traveling on official business. The RFP contained 5,134 line items representing air transportation to and from specified city pairs, including 1,114 international routes (between American and foreign cities) and 4,020 domestic routes (between American cities). The RFP contemplated award of several fixed-price contracts to fulfill the government's transportation requirements from the date of award until September 30, 1995. Initial offers were received from 20 air carriers by July 7, but due to delays related to an agency-level protest, General Accounting Office protests,² and the difficulty of evaluating a large number of offers, the contracts were not awarded until January 1995.³

The RFP stated that contracts would be awarded on a line item-by-line item basis to the offeror whose offer conformed to the solicitation and represented the greatest value to the government, price and other factors considered. The RFP further stated that award would be made to other than the low-priced offeror where the technical superiority of an offer outweighed the price differential and indicated that price would be considered more important the more equal proposals were in technical merit.

¹Continental initially protested that contracts for 23 line items were awarded incorrectly, but Continental subsequently withdrew its protest under some line items and was awarded contracts for others. Only eight line items, representing domestic routes, are still being protested (line items 1063, 2206, 2234, 2256, 2259, and 3365 were awarded to United, and line items 2271 and 2434 were awarded to USAir).

²See American Airlines, Inc., B-258271, Dec. 29, 1994, 95-1 CPD ¶ 5. Also, on February 24, 1995, we dismissed a protest (B-258271.3) filed by USAir, Inc. as untimely.

³A number of line items were deleted by solicitation amendment and no offers were received for many routes. Thus, contracts with an estimated value of \$869 million for the 8-month basic contract period were awarded for 4,822 line items.

The technical evaluation factors, listed in descending order of importance, were as follows:

Factor 1: conformance to solicitation minimum requirements;

Factor 2: availability of nonstop service;

Factor 3: efficient service to the federal traveler.

Under evaluation factor 3, four evaluation subfactors were listed: (1) distribution of flights; (2) elapsed time; (3) total mileage; and (4) number of flights.

The protester contends that the source selection plan (SSP) used for evaluation of offers⁴ was inconsistent with the RFP's stated evaluation criteria. Specifically, Continental argues that GSA did not accord sufficient weight to evaluation factor 2 (availability of nonstop service) in the technical and price evaluations.

In accord with the SSP, proposals were evaluated on a line item-by-line item basis on technical factors and price.⁵ Concerning technical merit, the evaluators first examined proposals to determine whether they conformed to the solicitation's minimum requirements (factor 1). Next, the evaluators examined availability of nonstop service (factor 2), awarding [DELETED] for each nonstop flight and [DELETED] for each connecting⁶ or direct flight⁷ meeting a line item's minimum requirement. The evaluation panel next evaluated efficient service to the federal traveler (factor 3). Proposals were evaluated on distribution of flights (subfactor 1) to determine whether flights were offered in certain preferred time periods that were considered more efficient/less costly (*i.e.*, flights departing between 6 a.m. and 9 a.m. and between 3 p.m. and 7 p.m.); for flights within a preferred time band proposals were awarded [DELETED] per proposal. The evaluators also compared

⁴Roughly 5,000 line items were evaluated using the same SSP, but the protester asserts that, if we sustain its protest, corrective action should only apply to the eight line items that are the subject of its protest. Continental was awarded contracts for 324 other line items under the protested SSP methodology.

⁵In this decision, we will describe the SSP's basic scheme. However, for the sake of clarity, we will omit much of the detail included in the SSP, and we will not attempt to describe the many variations that could have arisen under this multi-market procurement.

⁶A connecting flight is a flight between the origin and destination points with a stop or stops and involves changing planes.

⁷A direct flight is a flight between the origin and destination points with a stop or stops but no change of planes.

each offer's average elapsed flight time (subfactor 2) and mileage traveled (subfactor 3) with the shortest offered time and mileage, [DELETED]. Evaluation of number of flights (subfactor 4) was used only as a tie-breaker under which a greater number of flights in a market would be considered more advantageous if competing proposals were considered equal on all other factors, including price. Based upon this analysis, an initial technical ranking of proposals was established.

Concerning price, the evaluators made additions or subtractions to the offered price for a line item to calculate the evaluated price. Nonstop service (factor 2) was first considered. If a carrier offered nonstop service for a line item requiring only direct or connecting service, a [DELETED].⁸ Then, the evaluators compared the offer's elapsed flight time to the shortest flight time offered and, where appropriate, [DELETED] (see footnote 8). Next, each offer was examined regarding efficiency/flight distribution (factor 3, subfactor 1). For long flights (i.e., more than 120 minutes), [DELETED] (representing meal and incidental expenses) [DELETED]. For short flights (i.e., less than 120 minutes), [DELETED] (representing meals, incidental and lodging expenses--the amount varied depending upon the authorized per diem rate for the locality) was made where the offer included [DELETED]. The SSP specified that, after evaluated prices were computed for a particular line item, the source selection authority (SSA) could award the line item to a carrier with a higher [DELETED].

Based on GSA's evaluation of technical factors and price, award was made to other than Continental, despite Continental's technical superiority, because Continental's evaluated prices were not the lowest. In Continental's view, the services it offered, primarily nonstop flights, were not given the weight promised under the RFP evaluation scheme. Specifically, the protester contends that, contrary to the RFP's stated scheme which indicated that nonstop service would be considered more important than efficiency, GSA's technical and price evaluations under the SSP gave more weight to evaluation factor 3 (efficient service) than to evaluation factor 2 (nonstop service). Regarding technical evaluations, Continental points out that in a two-flight minimum market (requiring two-inbound flights and two-outbound flights), the SSP allows the same [DELETED] for offering nonstop flights as for having four flights all departing in preferred time periods, giving equal weight to factor 2 (nonstop service) and factor 3/subfactor 1 (distribution of flights).⁹ Thus,

⁸The SSP contained a complex calculation which determined that each [DELETED] a typical government worker was traveling was worth [DELETED] nonstop flights were evaluated as saving [DELETED] was computed by [DELETED].

⁹Continental provided this example. In a two-flight market, an airline offering all nonstop flights receives [DELETED] while an airline offering only connecting flights receives [DELETED] differential for factor 2. An airline offering flights in all four

Continental concludes that when the other three subfactors of factor 3 (elapsed time, total mileage, and number of flights) are also considered, factor 3 was weighted more heavily than factor 2 in the technical evaluation. Continental also asserts that factor 3 (efficiency) was accorded more weight than factor 2 (nonstop flights) in the price evaluation. In this regard, Continental points out that meeting the minimum requirement using nonstop flights was [DELETED] in evaluation of factor 2 while having no flights in preferred time periods was [DELETED] in the evaluation of efficiency/flight distribution (factor 3/subfactor 1) and there was [DELETED] accorded to shorter elapsed time (factor 3/subfactor 2).¹⁰

We find unconvincing Continental's argument that the extra technical points awarded for nonstop service could be equaled by the technical points awarded for having flights in preferred time periods. Under the SSP, the point advantage associated with meeting the minimum requirement exclusively with nonstop flights [DELETED]¹¹ as the required number of flights increases, but the point total for flights in preferred time periods [DELETED]. Thus, the points awarded for flight distribution could possibly equal the extra points awarded for nonstop service in a two-flight market, but the extra points awarded for nonstop service will greatly exceed the maximum points awarded for preferred flight times by a great margin in all markets with a greater number of required flights. Even in a two-flight market, in order for an offer of direct or connecting flights to make up for the [DELETED] accorded to an offer of nonstop flights, the offer of direct or connecting flights must provide [DELETED] while the offer of nonstop flights provides [DELETED]. According to GSA, because air carriers strive to accommodate the needs of business travelers who prefer to travel in the preferred time periods, the chance is "miniscule" that the situation described by Continental would arise. The evaluation documents for the protested line items show that there was no instance where Continental provided no flights at preferred times and that the scenario posed by Continental did not occur. In fact, the record shows that Continental was the primary beneficiary of the SSP's weighting of preferred-time points because, in

preferred time periods receives [DELETED] while an airline offering no flights in a preferred time period receives [DELETED] differential for factor 3, subfactor 1.

¹⁰Under the SSP, the difference in elapsed time (in minutes) between the offer of the shortest time and the offer being evaluated [DELETED] since, as noted above, [DELETED].

¹¹For example, the SSP provides that in an eight-flight market (requiring eight flights inbound and 8 outbound) an offer meeting the requirement with all nonstop flights would [DELETED] while an offer meeting the requirement with connecting or direct flights would [DELETED].

every case, Continental's proposal was ranked first for preferred-time points, although in some cases the awardee received an equal ranking. Thus, the awardee's proposal never was able to negate the technical advantage Continental's proposal received by virtue of providing nonstop flights.

We also find unconvincing Continental's argument that evaluation of flight distribution (*i.e.*, preferred times) and shorter elapsed time received more weight than nonstop service under the price evaluation. As noted above, Continental's proposal always had as many or more flights in preferred time periods than the awardee's proposal and, therefore, Continental's proposal consistently received price evaluation benefits for this subfactor that were equal to or greater than the awardee's proposal. Regarding evaluation of elapsed time, even though there was [DELETED] that did not mean elapsed time was weighted more heavily than nonstop service. Nonstop flights are shorter in duration than direct or connecting flights, and, therefore, an offer of nonstop service always received extra credit in terms of [DELETED] nonstop service and shorter elapsed time. Essentially, nonstop service was emphasized twice in the price evaluation. Moreover, the record shows that for the protested line items Continental always offered flights that were shorter in duration than the awardee's and Continental's offered price always was [DELETED].

In addition, nonstop service was considered in that the SSP specifically reserved to the agency the right to award a line item to an offeror regardless of the results of the technical and price evaluations in any case where an offer met the minimum requirement in a connecting or direct service market entirely with nonstop service if the nonstop offer did not [DELETED]. Thus, consistent with the RFP, nonstop service was given great weight and obviously was considered more important than price.

In any event, as noted above, the record shows that the circumstances necessary for technical points for preferred times to negate the points awarded for nonstop service simply did not occur for the protested line items. Also, as noted above, the record shows that Continental was the primary beneficiary of evaluation of flight distribution and elapsed time. Thus, Continental suffered no competitive prejudice from the SSP's weighting of evaluation factors/subfactors. See Johnson Controls World Servs. Inc., B-257431; B-257431.5, Oct. 5, 1994, 94-2 CPD ¶ 222.

The protester also contends that GSA failed to conduct a cost/technical tradeoff analysis. Continental asserts that, because its proposal was technically superior (*i.e.*, included a greater number of nonstop flights) to the awardee's for each line item, its proposal represented the best value to the government. Because technical merit was more important than price, Continental concludes that it should have been awarded contracts for the eight protested line items in spite of its higher offered prices. In a related matter, the protester argues that in lieu of conducting a

proper cost/technical tradeoff analysis, GSA relied upon the so-called [DELETED] of the SSP for deciding when to accept a higher-priced, nonstop offer for a connecting or direct service market. Under the SSP's [DELETED] GSA reserved the right to [DELETED] accept a nonstop offer where connecting or direct service was required so long as the offered price of the nonstop offer [DELETED]. Continental contends that GSA arbitrarily compared offered prices when, in fact, it made more sense to compare evaluated prices in making this decision.

The agency responds that it did, in fact, conduct a cost/technical tradeoff analysis. While not every evaluation factor was given a [DELETED] or resulted in a [DELETED], GSA points out that all factors were considered by the evaluation panel in ranking proposals on technical merit and technical factors that were readily susceptible to quantification were evaluated as [DELETED]. GSA also reports that the technical evaluation results on all factors, the offered and evaluated prices, and the panel's recommendations for award were all set out for the SSA's review in selecting proposals for contract award. The agency reports that, in this manner, the technical merit of each offer was weighed against the cost of the service offered and a determination made regarding which offer was most advantageous to the government.

It is clear from the record that GSA gave serious consideration to determining the value of various technical advantages. As discussed above, the evaluation included assumptions and calculations that estimated such things as the value of the typical government worker's time, lodging, and meal expenses that would be incurred [DELETED]. While not every technical factor was [DELETED] based upon the SSP's unchallenged assumptions, GSA calculated the monetary benefits attributable to certain significant technical advantages (i.e., nonstop service, preferred-time departures, and flying time). After making an initial technical ranking of the proposals for each line item, GSA proceeded to adjust proposed prices based upon their individual technical merit. While the evaluation record contains no narrative discussion of the value of technically superior features of proposals, it is obvious from the record that technical merit was weighed against cost advantages. Even where the SSA does not specifically discuss the cost/technical tradeoff in the selection decision document, we will not object where, as here, the tradeoff is supported by the record. See Management Sys. Designers, Inc., B-244383.3, Sept. 30, 1991, 91-2 CPD ¶ 310, and cases cited. Because the SSP formula already accounted for both technical merit and costs and GSA evaluated the technical merit of proposals, calculated the dollar value of significant technical advantages, and adjusted proposed prices to reflect the value of individual proposals' technical advantages, a cost/technical tradeoff was accomplished; in these circumstances, the SSA was not required to perform any further cost/technical tradeoff analysis in support of the award decision. See Stone & Webster Eng'g Corp., B-255286.2, Apr. 12, 1994, 94-1 CPD ¶ 306.

Concerning the SSP's [DELETED] GSA does not agree that it should have compared evaluated prices instead of proposed prices. The agency argues that use of evaluated prices would have "skewed" the evaluation too far in favor of technical advantages, such as nonstop service, because evaluated fares already included price adjustments made for technical advantages.

Contracting officials enjoy broad discretion in the selection of evaluation factors. See Renow, Inc., B-251055, Mar. 5, 1993, 93-1 CPD ¶ 210. In order to establish the unreasonableness of the evaluation plan, it is not enough that the protester disagrees with the agency's judgment or that the protester can point to alternative methodologies available to the agency; instead, the agency's evaluation must be shown to lack a reasonable basis. See Payco Am. Corp., B-253668, Oct. 8, 1993, 93-2 CPD ¶ 214. In view of the fact that proposals already received extra credit in the technical evaluation for the technical advantages they contained, and because GSA already carefully estimated how much the significant technical benefits were worth and used those estimates to adjust proposed prices in its cost/technical tradeoff analysis, and especially because the airfares proposed would be the price the government would have to pay, we think that GSA's approach was reasonable.

In sum, we conclude that: (1) the evaluation gave sufficient weight to nonstop service consistent with the RFP; (2) the evaluation incorporated a cost/technical tradeoff analysis; and (3) the agency's [DELETED] analysis reasonably required comparison of proposed prices for determining whether it was worth paying a higher price for a technically superior proposal. In view of these conclusions, we deny Continental's protest of line items 2206, 2234, 2259, 2271, and 2434, which was based upon the above-resolved arguments. Continental also protested line item 2256, raising the same arguments and adding that GSA erred by giving United, the awardee, credit for having two nonstops flights instead of one. However, after adjusting upward United's evaluated price to reflect the correct number of nonstop flights, United's evaluated price is just [DELETED] while Continental's is [DELETED]. Thus, because Continental's evaluated price is [DELETED] more than United's, Continental was not prejudiced by the agency's error. See Johnson Controls World Servs. Inc., supra.

Continental also protests that GSA made factual errors in its evaluations of line items 1063 and 3365, resulting in improper awards to United. Continental contends that GSA failed to give its proposal credit for two nonstop flights (one in each direction) for each line item even though its proposal offered the nonstop flights. Continental asserts that if the evaluation had given it credit for the nonstop service, its proposal would have been deemed most advantageous to the government and it would have been awarded a contract for these line items.

The solicitation advised offerors that GSA would evaluate offers using data from the "Official Airline Guide" (OAG), effective for the period from October 1 through

October 7, 1994; that OAG had compiled the pertinent schedule information in a computer database under its contract with GSA; and that GSA would provide each offeror with a computer disk containing the schedule information that would be used in the evaluation. The RFP also cautioned that:

"If the offeror's information is other than that shown in the Government provided data, the offeror must supply additional information with its offer if the offeror wants the Government to evaluate the offer on other than the Government provided data. . . .

Any data submitted by the offeror must, for each market, include the departure and arrival times, and if direct or connecting service the number of stops/connections for each flight as well as the connect point(s), if applicable. . . ." [Emphasis added.]

The record shows that GSA provided a data disk to each offeror, including Continental, and, when that disk was found to contain errors, GSA provided each offeror with a corrected disk. Based on the information contained in the corrected disk, GSA evaluated Continental's offers on line item 1063 as providing only one nonstop flight in each direction and on line item 3365 as providing no nonstops at all.

The RFP clearly put offerors on notice that the data disk information would be evaluated unless the offer contained an indication that the offeror wanted its proposal to be evaluated on other than the information contained in the disk and contained additional information needed for evaluation (e.g., departure and arrival times). Our perusal of Continental's offer shows that Continental's offer provided no nonstop flights at all for line item 3365.¹² Thus, GSA correctly did not give Continental's proposal credit for nonstop service in the evaluation of this line item. Regarding line item 1063, Continental's offer did, in fact, provide four nonstop flights rather than the two nonstop flights for which it received credit in the evaluation. However, Continental did not highlight or otherwise point out to GSA that the offer in any way differed from the data disk to be evaluated. The number of nonstop flights was only one number in one line of a computer printout including more than 5,000 line items and comprising 154 pages of Continental's proposal. As this one change from the computer disk's information was not highlighted, circled, underlined, or differentiated in any other way from the thousands of other numbers, we do not believe that the protester fulfilled its obligation to point out to GSA that

¹²Both GSA and Continental provided us with copies of Continental's offer on line items 1063 and 3365.

certain information on the disk was not to be evaluated as it was superseded by new information. In these circumstances, we cannot fault GSA's evaluation of Continental's offer.

The protest is denied.

Robert P. Murphy
General Counsel