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Decision

Matter of: Strategic Resources, Inc.

File: B-406841.2

Date: November 27, 2012

Janice Davis, Esq., Davis & Steele, for the protester.
Antonio R. Franco, Esq., Alexander O. Levine, Esq., and Megan C. Connor, Esq., PiliroMazza PLLC, for Armed Forces Services Corporation, the intervenor.
Capt. Anthony V. Lenze, Department of the Army, for the agency.
Jonathan L. Kang, Esq., and James A. Spangenberg, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest alleging that the awardee's proposal violated the solicitation's unclear proposal font requirement is denied where the protester's proposal does not comply with its own interpretation of the requirement.
 2. Protest challenging the agency's evaluation of the offerors' technical proposals is denied where the record shows that the evaluation was reasonable and consistent with the solicitation.
 3. Protest challenging the agency's price realism evaluation is denied where the protester does not challenge the alternative basis upon which the agency found the awardee's proposed price to be realistic.
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DECISION

Strategic Resources, Inc. (SRI), of McLean, Virginia, protests the award of a task order to Armed Forces Services Corporation (AFSC), of Arlington, Virginia, under task order request (TOR) PSS-12-R-0003, issued by the Department of the Army, Mission and Installation Contracting Command Center, for services in support of the Army's New Parent Support Program (NPSP). The protester argues that the awardee's proposal violated the TOR's proposal font requirement and was therefore

unacceptable, and that the agency’s evaluation of the offerors’ technical and price proposals was flawed.¹

We deny the protest.

BACKGROUND

The TOR was issued on April 11, 2012, and was amended twice. The competition was limited to contractors holding Human Resource Solutions Personnel Services and Support multiple-award indefinite-delivery/indefinite quantity contracts with the Army. The solicitation sought proposals to provide support services for service members and their families under the NPSP at 24 locations. The contractor will be required to provide licensed social workers or nurses with supporting administrative staff and program managers to conduct family needs assessments, parent education training, child development information, play groups, crisis intervention, coordination of community resources, and other supportive activities that promote child wellbeing and prevent child maltreatment. TOR at 7.

The TOR anticipated award of a fixed-price task order with a 45-day phase-in period, a 10.5-month base period, and two 1-year options. The TOR advised offerors that proposals would be evaluated on the basis of two factors: (1) technical and (2) price. The technical factor had three elements, which were not separately scored: (1) staffing/management approach, (2) technical approach, and (3) experience. For purposes of award, the TOR stated that the technical factor was “significantly more important” than price. TOR at 83.

The Army received proposals from four offerors, including SRI and AFSC, by the closing date of April 23. The agency evaluated the offerors’ initial proposals and concluded that discussions were required. The agency provided each offeror with items for negotiation (IFN) and requested revised proposals. The final evaluation ratings for the protester’s and awardee’s revised proposals were as follows:

	SRI	AFSC
Technical	Outstanding	Outstanding
Price	\$21,492,054	\$18,045,741

¹ Although the solicitation anticipated the issuance of a task order under an indefinite-delivery/indefinite quantity contract, the evaluation record here refers to “offerors” and “proposals.” For the sake of consistency, and because the distinction between a quotation and a proposal has no bearing on our analysis in this protest, we adopt the usage of the terms “proposal” and “offerors” in this decision.

Agency Report (AR), Tab 20, Task Order Decision Document (TODD), at 8.²

The source selection authority (SSA) compared each of three acceptable proposals, and conducted a price-technical tradeoff for each offeror. Id. at 22-28. The SSA concluded that although SRI's status as the incumbent provided "added value" based on the protester's direct experience with the NPSP program, this benefit was not worth the price premium of \$3.4 million as compared to AFSC's proposal. Id. at 29-30.

The Army awarded the task order to AFSC on May 24. The agency provided a debriefing to SRI on May 31. On June 5, SRI filed a protest with our Office, challenging the agency's technical and price evaluation. On July 11, the agency advised our Office that it would take corrective action in response to the protest, and would revise the price evaluation to address the realism of the offerors' proposed prices. Based on the notice of corrective action, we dismissed the protest on July 12.

The Army prepared an addendum to the selection decision, which detailed additional price realism analyses. As discussed below, the agency concluded that the three offerors previously considered in the first award decision had proposed realistic prices. AR, Tab 26, TODD Addendum, at 9-10. The SSA concluded that the revised price realism analysis did not provide a basis to change the initial award decision, and again selected AFSC for award. Id. at 10-11. The Army provided SRI a debriefing on August 15, and this protest followed.

DISCUSSION

SRI raises three primary arguments: (1) AFSC's proposal violated the solicitation's proposal font requirement and should have been rejected as unacceptable; (2) the Army's evaluation of the offerors' technical proposals was unreasonable; and (3) the Army's price realism evaluation was unreasonable. For the reasons discussed below, we find that none of these arguments provides a basis to sustain the protest.³

Compliance with Font Requirement

SRI argues that AFSC's proposal should have been rejected as unacceptable because the awardee used a font smaller than was permitted by the TOR. The

² The solicitation stated that proposals would be assigned a rating of outstanding, good, acceptable, marginal, and unacceptable. TOR at 84.

³ In addition, we have reviewed SRI's numerous collateral arguments and find none provides a basis to sustain the protest.

protester contends that had the awardee used a font that complied with the solicitation its proposal would have exceeded the page limit for the technical proposal.

The TOR stated that offerors' technical proposals were limited to 20 pages. TOR amend. 1, at 2. The solicitation contained the following instructions for the technical proposal font: "Proposal font type shall be limited to Arial, Courier or Times New Roman not smaller than 12 pitch font size." TOR at 76.

The meaning of the TOR font provision included in the TOR is not clear. The term "pitch" refers to the amount of horizontal space used for each character in a particular font. Integrated Tech. Works, Inc.-Teltara, Inc., B-286769.5, Aug. 10, 2001, 2001 CPD ¶ 141 at 2 n.1; see also Relationship Between Inches, Picas, Points, Pitch, and Twips, available at: <http://support.microsoft.com/kb/76388>. In contrast, the term "point" is a unit of vertical measurement, equal to 1/72 of an inch; a font size is typically expressed in terms of points to define the vertical height of characters. Id. Fonts such as Courier are fixed-width, meaning that each character is the same width. Id. Thus, a 12-pitch fixed-width font would have 12 characters per inch. In contrast, Times New Roman and Ariel are variable-width fonts, meaning that characters have differing widths, e.g., a "w" or "y" is wider than an "i" or "l."⁴ Thus, the term "pitch" does not apply to a variable-width font. Id. This creates an apparent conflict in the solicitation provision's use of the term "pitch" with its statement that variable-width Ariel and Times New Roman fonts are acceptable. See TOR at 76.

SRI argues that the awardee's proposal violated the TOR's font requirement as it relates to pitch. In light of the inapplicability of the term pitch to variable-width fonts, SRI advances two possible interpretations, either of which, it contends, shows that AFSC's proposal should be rejected for failing to meet the font requirements. We do not think either interpretation provides a basis to sustain the protest.

First, the protester acknowledges that the term "12-pitch" does not apply to the Times New Roman font used by AFSC or SRI. See Protester's Comments (Oct. 25, 2012) at 3. For this reason, the protester argues that the term 12-pitch should be understood to mean 12-point, and that AFSC's proposal should be viewed as unacceptable because it did not use at least a 12-point font.⁵ We find that this

⁴ The body of this decision uses a 12-point Arial font.

⁵ SRI initially argued that AFSC's proposal used an 8-point Times New Roman font. In response to the protest, the contracting officer (CO) states that she examined SRI's and AFSC's proposals using the "TouchUp Properties" tools available in Adobe Acrobat Pro, and concluded that AFSC's proposal used a 10-point Times New Roman font, and that SRI's proposal used a 12-point Times New Roman font.

(continued...)

interpretation is not supported by the TOR, as there is no basis to conclude that the term “12-pitch” should be understood to mean “12-point” when applied to variable-width fonts. The TOR does not use the term “point,” and, as explained above, it is clear that the terms are not synonymous or interchangeable.

Second, the protester argues that, notwithstanding the inapplicability of the term “pitch” to the Times New Roman font, the requirement for a “12-pitch” font should be applied literally to the awardee’s proposal. In this regard, the protester contends that offerors’ proposals must use a font that does not contain more than 12 characters per inch. The protester argues that the font used in awardee’s proposal contains, on average, 18 or more characters per inch, and was therefore unacceptable.

This interpretation has some merit, but only to the extent that it attempts to harmonize the provisions of the TOR. See Raytheon Co., B-404998, July 25, 2011, 2011 CPD ¶ 232 at 17 (our Office resolves disputes concerning the meaning a solicitation term by reading the solicitation as a whole and in a manner that gives effect to all its provisions; to be reasonable, an interpretation of a solicitation must be consistent with such a reading). The record shows, however, that SRI’s proposal also would not satisfy this standard; a measurement of the protester’s 12-point Times New Roman font in its proposal shows 14-15 characters per inch. Because the protester’s proposal also violates this second interpretation, we find no basis to sustain the protest.

Technical Evaluation

Next, SRI raises numerous challenges to the evaluation of the offerors’ technical proposals. We have reviewed each of the protester’s arguments and find none provides a basis to sustain the protest. We discuss three representative examples below.

The evaluation of an offeror’s proposal is a matter within the agency’s discretion. National Gov’t Servs., Inc., B-401063.2 et al., Jan. 30, 2012, 2012 CPD ¶ 59 at 5. A protester’s mere disagreement with the agency’s judgment in its determination of the relative merit of competing proposals does not establish that the evaluation was unreasonable. VT Griffin Servs., Inc., B-299869.2, Nov. 10, 2008, 2008 CPD ¶ 219 at 4. In reviewing a protest against an agency’s evaluation of proposals, our Office will not reevaluate proposals but instead will examine the record to determine whether the agency’s judgment was reasonable and consistent with the stated evaluation criteria and applicable procurement statutes and regulations. See

(...continued)

Supp. CO Statement (Oct. 25, 2012) at 2. The protester does not challenge these analyses, and our review of the record reaches the same conclusion.

Shumaker Trucking & Excavating Contractors, Inc. , B-290732, Sept. 25, 2002, 2002 CPD ¶ 169 at 3.

First, SRI argues that the agency unreasonably assigned a strength to AFSC's proposal based on its approach of providing [deleted] benefits [deleted]. The solicitation's performance work statement required offerors to provide a "recruitment, training, and retention program that attracts and retains qualified individuals." TOR at 13. The "Staffing/Management Approach" element of the technical factor required offerors to provide a plan for "recruitment and retention of appropriately skilled personnel over the entire period of performance of the contract shall be provided, to include the promotion of stability in the workforce." Id. at 77.

The Army assigned the following strength to AFSC's proposal:

Recruitment effort has the enhanced likelihood of success due to [deleted]. Retention efforts will include [deleted] based on [deleted]. Offeror indicates employees will receive "[deleted] benefits [deleted]." Securing incumbent staffing will reduce program impact during transition, if the recruitment measures are successful. Stability of the workforce is a greater possibility with a [deleted] as described in proposal.

AR, Tab 20, TODD, at 14. However, the agency also cited the following concern regarding the awardee's proposed benefits.

Uncertainties:

[C]O Finding . . . does indicate that employees will receive "[deleted] benefits [deleted]." Detail on what [deleted] benefits encompass is not transparent in the proposal. Offeror does indicate they actively "manage wages and benefits so as not to cause inequities or become uncompetitive."

Id. at 16. AFSC's proposal to provide [deleted] benefits [deleted] was cited as a strength in the agency's tradeoff comparison of SRI's and AFSC's proposals. Id. at 27.

SRI argues that it was unreasonable for the Army to assign a strength for AFSC's proposal for providing [deleted] benefits [deleted] when there was concern regarding the nature and extent of those benefits. As the evaluation record quoted above shows, however, the selection decision expressly considered both the strength and the related concern, and nonetheless found that the proposed approach was still a strength that distinguished AFSC's proposal from SRI's. See AR, Tab 20, TODD, at 14, 16, 27. The agency explains that the awardee's approach merited a strength

because providing benefits [deleted], is an aid to recruitment. Supp. CO Statement (Oct. 10, 2012) at 1.

We agree with the agency that there is nothing unreasonable in finding a strength based on [deleted] benefits [deleted] even if, as the protester contends and the selection decision recognizes, there is uncertainty about the extent of the benefits. We find that the agency could reasonably identify a strength based specifically on the [deleted] provision of benefits.

Next, SRI argues that the Army unreasonably evaluated AFSC's proposed approach to conducting initial new parent screening consultations. The protester argues that the awardee's proposal should have been assessed a weakness because it does not commit to providing in-person consultations as part of the initial screening process.

As an initial matter, we note that the TOR does not specifically contain a requirement for in-person screenings as part of the initial screening process. The protester contends that a section of a document, "New Parent Support Program Home Visitation," implies that the initial consultation should be conducted in person. See Supp. Protest (Oct. 1, 2012), attach. 1, New Parent Support Program Home Visitation, First Ed. (2006), at 4.14. The document states that the screener should "sit with" the parent "before handing" the parent a questionnaire. Id. This section of the document, however, is not referenced by the solicitation. It is true that the TOR states that the contractor must provide "training" consistent with "New Parent Support Program Home Visitation first Edition 2006." TOR at 30. The protester argues that since the document is referenced by the TOR, it was therefore incorporated in its entirety. This argument is without merit. The reference to the training requirements of the document does not incorporate the entirety of the document as a performance requirement.

In any event, the record shows that the Army raised a concern with AFSC during discussions regarding in-person consultations, and that the awardee addressed this issue.

In this regard, AFSC's initial proposal stated as follows:

[deleted]

AR, Tab 7, AFSC Initial Proposal, at 10.

The Army's initial evaluation noted an "uncertainty" for AFSC's proposal because its approach of [deleted] "requires further information to determine viability." AR, Tab 9, AFSC Initial Evaluation, at 4. During discussions, the agency asked the awardee to address the following question:

[deleted]

AR, Tab 11, AFSC IFN, at 2.

In its revised proposal, AFSC included the following response, indicating that in-person consultations would be conducted as part of the screening approach:

[deleted]

AR, Tab 14, AFSC Revised Proposal, at 11 (emphasis added).

Based on the revised language in the proposal, the Army concluded that the purpose [deleted] and that the awardee “resolved issue stating full intake assessment and family needs screeners will occur in person.” AR, Tab 18, AFSC Final Evaluation, at 3.

SRI argues that the agency’s evaluation was unreasonable because, notwithstanding the revised proposal language, “AFSC has not abandoned or forsworn the language of its initial proposal” which stated that [deleted]. Protester’s Comments (Oct. 17, 2012) at 5.

SRI is correct that AFSC’s proposal does not expressly delete the language from its initial proposal, which states that the [deleted]. We think, however, the Army reasonably concluded that the awardee’s specific commitment to “[deleted] and Family Needs Screening will be conducted in person” addressed the agency’s concerns regarding in-person consultations. AR, Tab 18, AFSC Final Evaluation, at 3, citing Tab 14, AFSC Revised Proposal, at 11-12. On this record, we find no basis to find this aspect of the evaluation unreasonable.

Next, the protester argues that the Army should have assessed a risk for AFSC’s proposed staffing approach because the awardee proposed [deleted]. The TOR provided data concerning the historical workload, and the number of contract service providers and authorized Army civilian service providers at the required places of performance. TOR at 34-44. The staffing/management approach element of the technical evaluation factor stated that the agency would evaluate, among other things, the adequacy of the total productive hours or full-time equivalent staff proposed. Id. at 83.

The Army’s initial evaluation identified a weakness based on AFSC’s proposal to [deleted]. The agency found that the “[t]echnical solution does not sufficiently articulate how resource allocation was determined.” AR, Tab 9, AFSC Initial Evaluation, at 4. The agency identified a number of examples where it believed that AFSC’s proposed staffing was “skewed” as compared to the workload information identified in the TOR. Id. During discussions, the agency asked the awardee to address the agency’s concerns. In particular, the agency noted as follows:

Staffing allocation appears skewed with consideration of data presented in [technical exhibit (TE)] 4 and historical workload (TE3). . . . Technical solution does not sufficiently articulate how resource allocation was determined. Efficiencies to be gained that would allow for a reduction in staffing in locations with greater caseload, or a reduction in resource allocation where caseload is lighter need to be addressed. Offer shall clarify how resource allocation (not the ratio of providers to caseload) was determined and if efficiencies are anticipated, what they may be.

AR, Tab 11, AFSC IFN, at 2-3.

In its revised proposal, AFSC stated that it employed “[deleted]” to evaluate the number of cases and number of specialists required. AR, Tab 14, AFSC Revised Proposal, at 3. The awardee explained that it had identified a [deleted] ratio of cases to specialists based on input and analysis from its child advocacy consultants and former home visit staff. Id. at 4-6. The awardee also explained that it “used the historical workload as a basis to propose contract staffing levels that are most likely to meet the future caseloads at each installation,” and provided examples of the staffing analyses performed for the locations identified as concerns by the agency during discussions. Id. at 5-6. The awardee further stated that if the level of work requires “greater or lesser levels of contract support, AFSC will work with the government to adjust the stationing of Home Visitors to meet those needs.” Id. at 5.

The Army concluded that AFSC’s revised proposal addressed the concern regarding staffing, and noted that the awardee “resolved issue stating they ‘will be responsive to adjusting’ workload as determined necessary.” AR, Tab 18, AFSC Final Evaluation, at 3. The agency states that the awardee’s response to the discussion question, including the [deleted], input from consultants, and examples of its staffing analyses, provided an adequate basis to find the staffing approach reasonable. Supp. CO Statement at 2. While SRI argues that, notwithstanding AFSC’s explanation for its proposed staffing levels, the agency should have concluded that the awardee’s approach was inadequate, its disagreement with the agency’s judgment provides no basis to find this aspect of the evaluation unreasonable.

In sum, we find the agency’s evaluation of the proposals was reasonable and consistent with the solicitation, notwithstanding the protester’s disagreement with the evaluation.

Price Realism Evaluation

Finally, SRI argues that the Army unreasonably evaluated the realism of the offerors’ proposed prices. The protester primarily argues that the agency

unreasonably accepted AFSC's proposed labor rates and its overall price, which were lower than SRI's as well as the independent government estimate (IGE) of \$23.4 million.

Where, as here, a solicitation provides for the award of a fixed-price contract, or a fixed-price portion of a contract, an agency may provide for the use of a price realism analysis for the limited purpose of measuring an offeror's understanding of the requirements or to assess the risk inherent in a offeror's quotation or proposal. Ball Aerospace & Tech. Corp., B-402148, Jan. 25, 2010, 2010 CPD ¶ 37 at 8. The nature and extent of an agency's price realism analysis are matters within the agency's discretion. Star Mountain, Inc., B-285883, Oct. 25, 2000, 2000 CPD ¶ 189 at 6. Our review of a price realism analysis is limited to determining whether it was reasonable and consistent with the terms of the solicitation. Smiths Detection, Inc.; Am. Sci. & Eng'g, Inc., B-402168.4 et al., Feb. 9, 2011, 2011 CPD ¶ 39 at 17.

The TOR stated that offerors' proposed prices would be evaluated as follows:

Unreasonably high/unrealistically low, unbalanced, inaccurate or incomplete price proposals may be the grounds for eliminating a proposal from competition. The Government will evaluate proposed prices for reasonableness using price analysis techniques.

TOR at 82. The solicitation also included FAR § 52.222-42, Statement of Equivalent Federal Hires, which listed three labor categories, which were "classes of service employees expected to be employed under the contract" and the wage rates and fringe benefits that would apply if they were employed by the government. TOR at 61-62.

The Army's price realism evaluation began with a comparison of the offerors' proposed labor rates to the federal equivalent labor categories identified in the solicitation and to wage rate data from the Bureau of Labor Statistics (BLS). AR, Tab 26, TODD Addendum, at 6-9. The Army explains that the BLS data, which represented a national average, were used to account for the variety of locations where the task order would be performed. Supp. CO Statement (Oct. 10, 2012) at 7-8. The Army concluded that AFSC's and SRI's proposed labor rates were each reasonable because they were lower than the equivalent federal and/or BLS labor rate. AR, Tab 26, TODD Addendum, at 6-9.

In addition, the agency compared offerors' proposed weighted labor rates (based on the number of positions per labor category) to each other, and also compared offerors' overall proposed prices to each other. The Army found that AFSC's weighted average labor rate of \$[deleted] was approximately [deleted] percent lower than SRI's weighted average rate of \$[deleted]. Id. at 9. The agency also calculated the average price proposed by the three technically acceptable offerors and concluded that AFSC's price was [deleted] percent of that average, and that

SRI's price was [deleted] percent of that average. Id. at 10. Based on these analyses, the agency concluded that "none of the offerors eligible for award exhibit such a degree of risk because of low prices as to jeopardize successful contract performance." Id.

SRI argues that the first part of the price realism evaluation was flawed because the Army compared offerors' proposed labor rates to BLS positions that did not meet the minimum experience or education requirements set forth in the solicitation. For example, the protester notes that the agency cited a BLS position of "Social Worker, All Other," which does not require a master's degree or a clinical license in social work. AR, Tab 26, TODD Addendum, at 6-9. In contrast, the TOR required offerors to propose personnel to perform social work services that have a master's degree, a current "unrestricted clinical license," and at least 2 years of experience. See TOR at 12. The Army does not specifically dispute the protester's arguments, nor does the agency provide a reasonable explanation for why this aspect of the price realism analysis was valid.

Nonetheless, we find the Army's price realism evaluation was reasonable, because it relied on additional analysis techniques, which the protester has not challenged. As discussed above, the Army's price realism analysis concluded that the offerors' proposed prices were realistic in light of the comparison of each offeror's weighted labor rate to the average of all of the offerors' weighted labor rates, and the comparison of each offeror's overall price to the average of all of the offerors' overall prices. AR, Tab 26, TODD Addendum, at 9-10. The agency contends that the second two parts of the price realism analysis stand on their own, and independently provide a valid and reasonable price realism analysis. We agree.

As discussed above, the depth and extent of a price realism evaluation is a matter of agency discretion. Our Office has held that price realism evaluation is reasonable where it is based on a comparison of the average of offerors' proposed prices. See Oklahoma State University, B-406865, Sept. 12, 2012, 2012 CPD ¶ 276 at 6; AMEC Earth & Env'tl., Inc., B-404959.2, July 12, 2011, 2011 CPD ¶ 168 at 8. Here, the record shows that the additional analyses of the agency's price realism evaluation were intended to be independent bases for finding the proposed prices realistic. See AR, Tab 26, TODD Addendum, at 9-10; see also CO Statement at 19-20; Supp. CO Statement (Oct. 10, 2012) at 9-10. Because the protester did not timely challenge these analyses, we find no basis to sustain this aspect of its protest.

The protest is denied.

Lynn H. Gibson
General Counsel