

**Matter of:** Science and Technology Corp.  
**File:** B-254405; B-254405.2; B-254405.3  
**Date:** December 14, 1993

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#### **DIGEST**

1. Protest challenging cost/technical tradeoff resulting in award to higher technically rated, higher cost offeror is denied where solicitation provided that technical considerations were more important than cost and record shows that agency reasonably determined that superiority of awardee's technical proposal warranted award notwithstanding higher price.
2. Protest that agency engaged in improper auction technique during discussions is denied where there is no evidence supporting allegation that contracting agency provided the awardee with the protester's pricing information during discussions.

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#### **DECISION**

Science and Technology Corp. protests the award of a contract to Geo-Centers, Inc. under request for proposals (RFP) No. DAAK60-93-R-2011, issued by the Department of the Army for technical, scientific, professional and engineering support services. Science argues that the agency made an improper cost/technical tradeoff in awarding the contract and also used an improper auction technique in its discussions with Geo.

We deny the protest.

The RFP contemplated the award of an indefinite quantity, indefinite delivery, labor hours contract for a base year and four 1-year option periods to perform a wide variety of scientific, technical and engineering support services in four functional areas: behavioral sciences, life sciences, biotechnology and physical sciences. Essentially, the agency will issue task orders under the contract comprised of various labor mixes from 77 different labor categories (the majority of which are professional categories such as psychologists, biologists and chemists), depending on its needs.

The solicitation required firms to submit a discrete technical proposal (including a response to a sample task) for each functional area, and provided that proposals would be evaluated in three primary areas: management and operations plan; cost and evaluation of labor rates; and initial task proposals. Technical evaluation points were assigned in the management and operations and the initial task areas. The labor rates and initial task cost proposals were not assigned point scores but were evaluated for overall acceptability.

Award was to be made to the firm submitting the proposal representing the best overall value to the government in each functional area. Technical considerations were more important than price, and the RFP assigned relative weights to the evaluation areas as follows: management and operations, 50 percent; initial task technical evaluation, 10 percent; initial task cost evaluation, 10 percent; labor rates cost evaluation, 30 percent.

The Army received proposals from Science and Geo and, based on an initial evaluation, the Army determined that both were within the competitive range in each of the functional areas. The Army then held discussions with both firms, solicited their best and final offers (BAFO) and, after receiving and evaluating the BAFOs, made award to Geo for all four of the functional areas. The award decision was based on the Army's conclusion that although Geo's evaluated labor rates cost was slightly higher than Science's, Geo's proposals were technically superior for each functional area, and were priced lower in the aggregate for the initial tasks.

Science argues that the agency's cost/technical tradeoff resulting in the selection of Geo's higher-priced proposal for award is unsupported by the record. According to the protester, the contracting officer's source selection document is general and conclusory, and does not contain a comparison of the two firms or articulate the agency's

reasons for selecting the higher-priced, technically superior offeror. In short, Science alleges that the Army has failed to justify making award to any firm other than the low-priced offeror.

Agencies are not required to make award on the basis of low price in a negotiated procurement unless the RFP provides otherwise; cost/technical tradeoffs may be made, and the extent to which one is sacrificed for the other is subject only to the test of rationality and consistency with the RFP's stated evaluation criteria. Westinghouse Elec. Corp., B-250486, Feb. 4, 1993, 93-1 CPD ¶ 229. Further, even where the source selection document does not specifically discuss the basis for the cost/technical tradeoff, we will not object to it so long as the record supports the agency's decision; we review the entire record to determine the reasonableness of an award decision. Id.; Allied-Signal Aerospace Co., Bendix Communications Div., B-249214.4, Jan. 29, 1993, 93-1 CPD ¶ 109.

We conclude that the record as a whole shows that the Army's decision to make award to Geo was reasonable and consistent with the RFP's evaluation scheme. As noted above, the RFP provided that technical considerations were more important than price, and also required the agency to consider both the offerors' labor rates and initial task prices in making the award decision. The record shows that the Army's source selection was based on an integrated assessment of all these factors, and thus was consistent with this evaluation scheme. Specifically, Geo's RAFO was rated technically superior to Science's in each of the four functional areas as follows:

	<u>Geo</u>	<u>Science</u>
Behavioral Sciences	59	32
Biotechnology	57	42.5
Life Sciences	54	45
Physical Sciences	55	49

These technical scores are supported by the narrative materials prepared by the evaluators, which reflect their conclusion that the Geo proposal offered distinct technical advantages over Science's. Science does not challenge the evaluation results.

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<sup>1</sup>The record also contains the results of a second evaluation and source selection performed after Science filed its protest. This second evaluation reflects minor changes in a few of the numeric scores and contains additional narrative materials. These minor changes in the evaluation results did not affect the offerors' relative standing or the

(continued...)

The agency explains in its report that the contracting officer concluded that Geo's approximately 2.2 percent higher overall estimated cost was warranted in light of its clear technical superiority in every evaluation area, as well its lower aggregate pricing for the initial tasks (approximately 8 percent lower than Science's). Given that the management and operations and initial task areas were assigned 70 percent of the evaluation weight, we see nothing unreasonable in the agency's tradeoff; it is consistent with the evaluation scheme and supported by the record.

Science also asserts that the Army improperly provided Geo with Science's pricing information during discussions. This argument is based on two statements disclosed in the record, one in Geo's BAFO and one made by the contracting officer to Geo during oral discussions. Geo's BAFO stated that "[b]ased on proper discussions with the contracting officer, the company targeted a 15 percent reduction in costs with no compromise in technical capability or superiority." The contracting officer stated to Geo that the competition was a "horse race."

This argument is without merit. The record contains absolutely no evidence to support Science's position that its pricing information was provided to Geo during discussions. Both Geo's contract negotiator and the contracting officer unequivocally deny that information regarding Science's price was communicated during discussions, and Science has submitted no evidence to the contrary. The mere reference to a BAFO price reduction target in no way establishes an improper disclosure of pricing information. Further, as the contracting officer points out, while the phrase "horse race" indicated the existence of competition (intended to suggest that the government desired improved terms), it did not reveal the firm's relative standing, or even the number of firms competing. The contracting officer notes, moreover, that he gave Science essentially the same information when he advised that firm during oral discussions to "sharpen its pencil." Finally, the mere fact of a 16-percent price reduction in a BAFO is an insufficient basis to support a

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<sup>1</sup>(...continued)

agency's source selection decision. In the one functional area where the firms had previously been ranked closest (physical sciences), the agency determined during the reevaluation that Geo's technical superiority actually was greater--53 points compared to Science's 42 points.

conclusion that the agency improperly disclosed another offeror's pricing information. See Oak St. Distribution Ctr., Inc., B-243197, July 2, 1991, 91-2 CPD ¶ 14.

The protest is denied.

James F. Hinchman  
General Counsel