



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: QSS Information Systems, Inc.

File: B-281275

Date: January 19, 1999

Charles W. Page for the protester.

Gregory H. Petkoff, Esq., and Maj. Isaac J. Nehus, Department of the Air Force, for the agency.

Jeanne W. Isrin, Esq., and John M. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protester's offered price properly was adjusted upward to include estimated amounts for materials, subcontracting, and travel which the protester had omitted in calculating its yearly price despite fact that solicitation indicated they would be included in all offerors' prices.

DECISION

QSS Information Systems, Inc. protests the award of a contract to Wyle Laboratories under request for proposals (RFP) No. F33601-97-R-9013, issued by the Department of the Air Force for technical and logistics support for the Air Force Research Laboratory/Human Effectiveness Directorate at Wright-Patterson Air Force Base, Ohio.¹

We deny the protest.

The RFP contemplated a time-and-materials contract for a base year with four 1-year options. RFP § L-65C. Offerors were to submit separate price and technical proposals, plus past and present performance information. RFP § L-556. Award was to be made on a best value basis by first ranking each technically acceptable proposal on the basis of total evaluated price, assigning each a performance risk

¹Work to be performed under the contract included preventive and remedial maintenance, inspection, modification, overhaul, fabrication, repair, calibration, certification and transport of experimental/test equipment and laboratory medical and non-medical instrumentation, such as desk-top computers, computer-controlled test equipment, special devices and material, and the related facility, installation, modification, testing and certification of data communications and various local area networks located throughout the laboratory. RFP § C-5.1

rating, and then performing a trade-off between price and performance. RFP § M-550P(b), (c). The RFP warned that the government intended to award without discussions. RFP § M-550P(d).

RFP section B contained five contract line items (CLIN), each covering the services to be performed for one of the 5 potential contract years. The description for each CLIN referred offerors to an attachment which was essentially a worksheet for computing the total estimated price for the applicable year. Each worksheet contained: (1) a chart of seven labor categories for which the offeror was to provide hourly rates, which would be multiplied by the estimated number of hours for each category to arrive at a total labor price for each contract year; (2) an estimated price of \$100,000 for materials; (3) a percentage for materials handling, if applicable, plus a blank for the determined price, if applicable; (4) an estimated price of \$10,000 for subcontracting; (5) a percentage for subcontracting services, if applicable, plus a blank for the determined price, if applicable; (6) an estimated price of \$10,000 for travel. (Data was listed as an item, but the worksheet stated that it would not be separately priced.) The total estimated price for each CLIN would be calculated by adding all of these elements, and the total evaluated contract price was to be determined by totaling the five CLIN prices. RFP § M-550P(c)(1).

All four proposals received, including QSS's, were found technically acceptable. However, in calculating the CLIN prices on its worksheets, QSS failed to include the specified \$100,000 for materials, \$10,000 for subcontracting, and \$10,000 for travel. The agency concluded that QSS thus had understated its total price by \$600,000 (\$120,000 for each year), and added this amount to QSS's offered price of \$3,850,009.60. This raised QSS's evaluated price to \$4,450,009.60. Because the RFP provided for a 10-percent small disadvantaged business (SDB) evaluation preference, RFP § IA-230, and QSS alone certified itself as an SDB, a 10-percent factor was added to all offers but QSS's. This increased Wyle's evaluated price from \$3,625,262 to \$3,987,788.20, but due to the upward adjustment of QSS's price, Wyle's evaluated price was low. Since Wyle's proposal also received a low performance risk rating (QSS's was rated moderate risk), it was determined to represent the best value to the government, and award thus was made to Wyle without discussions.²

QSS objects to the \$600,000 upward adjustment of its offered price, arguing that its CLIN prices represented its offered price, irrespective of omissions on the

²We note that, although QSS's offered price would have been low without the adjustment, the agency indicates that it is questionable whether QSS's offer, even in that case, would have been found the best value, since Wyle's evaluated price was less than 4 percent higher than QSS's offered price, and Wyle's offer received a low performance risk rating, compared to QSS's moderate risk rating.

worksheets, and that it thus was the low offeror entitled to award in light of the RFP's definition of evaluated price as the sum of the line item prices. QSS maintains that the RFP nowhere stated that the amounts listed on the worksheets were mandatory and that any requirement to include these amounts was unclear from the RFP.

The agency's upward adjustment of QSS's price was unobjectionable. While the RFP did not expressly state that the amounts pre-printed on the worksheets were mandatory, there was a specific reference to the worksheets next to the space provided for each CLIN price on the schedule (section B). For example, next to the base year CLIN was the following:

TOTAL ESTIMATED PRICE FOR BASE PERIOD:
(OBTAINED FROM ATTACHMENT 1)

Further, the structure of the worksheets in no way suggested that the items in dispute were optional. Specifically, the spaces provided for the labor category total prices were set forth in a column on the right-hand side of the page, which continued with the pre-printed prices for materials, subcontracting, and travel, as well as spaces for materials handling and subcontracting services prices, with a space at the bottom of the column for "ESTIMATED BASE PERIOD TOTAL." Given this layout--as well as the fact that this was a time-and-materials contract under which the items in question were reimburseable to the contractor--there simply was no reason for any offeror to assume that these items--any more than the number of estimated hours for each labor category--were somehow optional and could be deviated from, or omitted entirely in, the calculation of its total prices.

In sum, although the RFP provided that the evaluated price would be the sum of the five CLIN prices, the RFP also clearly indicated that the CLIN prices would be calculated using the worksheets, with inclusion of the disputed items in the estimated total prices. Under these circumstances, QSS should have understood that the pre-priced items had to be included in its total prices,³ and the agency properly adjusted QSS's offered price upward to account for the omissions, and to put it on an equal footing with the other offers.⁴

³We note that there was nothing in QSS's offer indicating that it intended to absorb the additional costs in performing the contract, and QSS has not indicated in its protest submissions whether the omissions were intended or a mistake.

⁴The agency also points out that, had the mandated amounts for materials, subcontracting, and travel been excluded from Wyle's offer, another way of putting it on an equal footing with QSS, its evaluated price of \$3,327,788.20 (after the 10-percent preference) would have been lower than QSS's.

QSS argues that discussions should have been held regarding the omitted amounts. As noted, however, the RFP stated that the agency did not intend to conduct discussions and, given our finding that the RFP clearly indicated that the specified amounts should be included in offerors' prices, we do not believe that the agency was required to conduct discussions simply to repeat what was already clear from the solicitation.⁵

The protest is denied.

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⁵In its original protest submission, QSS also argued that the agency had not provided QSS with a required debriefing. In its report, the agency stated that QSS's debriefing request was not timely made, but that QSS nevertheless was given a written debriefing on October 20. QSS has not refuted the agency's response.