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Washington, DC 20548

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Decision

Matter of: Citywide Managing Services of Port Washington, Inc.

File: B-281287.12; B-281287.13

Date: November 15, 2000

John A. Ordway, Esq., Berliner, Corcoran & Rowe, and Jacqueline B. Gayner, Esq., Ross, Suchoff, Hankin, Maidenbaum, Handwerker & Mazel, for the protester. Michael A. Gordon, Esq., and Fran Baskin, Esq., Holmes, Schwartz & Gordon, for Meridian Management Corporation, the intervenor. Joseph J. Cox, Esq., and Michael Ryba, Esq., U.S. Army Corps of Engineers, for the agency. Henry J. Gorczycki, Esq., and James A. Spangenberg, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Agency satisfied its obligations to perform a price analysis by comparing the widely variant line item prices proposed by the offerors under vigorous price competition for a fixed-priced contract and the government estimate; the agency was not required to downgrade awardee's highest-rated technical proposal because of its low price where the awardee verified its price and the agency reasonably determined that the awardee understood and could perform the contract at that price.
2. Protest alleging that the awardee's proposal has unbalanced item prices and that the agency failed to assess whether the unbalancing posed an unacceptable risk to the government is denied, where, despite the agency's erroneous determination that prices were not unbalanced, there is no evidence of significant risk to the government arising from unbalanced prices and the agency's action therefore did not prejudice the protester.
3. Protest of technical evaluation is denied where protest merely disagrees with the agency's evaluation and does not provide evidence of an unreasonable evaluation.

DECISION

Citywide Managing Services of Port Washington, Inc. protests an award to Meridian Management Corporation under request for proposals (RFP) No. DACA51-98-R-0007, issued by the U.S. Army Corps of Engineers, Philadelphia District, for base operations and maintenance services at Fort Hamilton, New York.

We deny the protest.

The RFP was initially issued on March 5, 1998 by the Corps's New York District. A contract was awarded under this RFP to Citywide on two prior occasions. Those awards were the subject of a number of protests by the other offerors, Meridian and Johnson Controls World Services, Inc. Our office twice sustained such protests,¹ in response to which the agency reevaluated proposals and made new source selections. The most recent reevaluation followed reassignment of the RFP to the Philadelphia District, which appointed new evaluation and source selection personnel and, by amendment, reissued the RFP.

The RFP, as reissued, contemplated the award of a fixed-price contract (with provision for some cost reimbursable work) for 1 year with 4 option years. For contract line item numbers (CLIN) under heading 001, monthly unit prices were requested for recurring and cyclic maintenance, repair and preventative maintenance work, and specific support and administration services. For CLINs under heading 002, monthly unit prices were requested for maintenance and repair service orders. For CLINs under heading 003, hourly and square foot unit prices were requested for all maintenance and repair outside the scope of CLIN 002 service orders. For CLINs under heading 004, hourly unit prices were requested for "New Work," that is, minor construction incidental to the execution of base operations. For CLINs under heading 005, monthly and hourly prices were requested for logistics support functions. Estimated quantities for price evaluation purposes are designated for each CLIN; the estimated quantities for CLINs requesting hourly unit prices are also "not to exceed" figures.²

¹ Johnson Controls World Servs., Inc.; Meridian Management Corp., B-281287.5 *et al.*, June 21, 1999, 2000 CPD ¶ __; Meridian Management Corp.; Johnson Controls World Servs., Inc., B-281287.10, B-281287.11, Feb. 8, 2000, 2000 CPD ¶ __.

² As indicated, there are also some cost reimbursable CLINs under each group with designated "not to exceed" dollar figures for "bidding purposes only."

The RFP stated a best value evaluation plan with technical and price being of approximately equal importance. Under the technical area, the RFP listed, in descending order of importance, the factors of technical approach, management and quality control. Each factor had various subfactors.

Under price, the RFP stated that the government was interested in “proposals that offer value in meeting the management necessary in the performance of this contract while insuring quality performance with appropriate technical skills and quality control at a reasonable price.” RFP amend. 7, at M-6. The RFP required each offeror to “submit sufficient data to determine reasonableness of each element (labor, material, overhead, [general and administrative], and profit) of the Offeror’s proposed price for each item.” Id. at M-6 to M-7. The total price of each proposal for evaluation purposes was the extended total of all CLIN prices, including those in the option years.

The RFP stated that the “Government may reject an offer as nonresponsive if it is materially unbalanced as to prices for the basic requirement and the option quantities.” Id. at M-1. The RFP also stated:

Proposals which are unrealistic in terms of technical approach, management, quality control, or have unrealistic prices may be deemed reflective of lack of technical understanding or indicative of failure to fully comprehend the complexity and risks of the proposed contractual requirements and may result in a reduction in technical scoring.

RFP amend. 21, at M-1.

The agency received proposals from the three offerors who previously submitted proposals under the RFP by April 17, 2000. After an initial evaluation of the newly revised proposals, the agency conducted discussions. In pertinent part, the discussions with all offerors identified CLIN prices in their proposals that appeared “substantially higher” and others that appeared “substantially below” the government estimate and/or prices of other offerors, and requested offerors to verify their prices and understanding of the scope of work.

On July 7, the agency requested final proposal revisions. The final evaluation results were as follows:

Offeror	Technical (900 points)	Price
Government Estimate	--	\$50,655,000
Meridian	660	\$33,031,750
Johnson Controls	655	#[DELETED]
Citywide	539	\$40,622,509

The technical evaluation committee (TEC) determined that the technical proposals of Meridian and Johnson Controls were essentially equal and stated the following in its final report:

In reaching our conclusion, we very carefully considered Meridian's and Johnson Controls' proposals taken as a whole. We cannot conclude that the difference between the scores would represent any real difference in contract performance. In contrast the proposal submitted by Citywide taken as a whole is not in the league with the other two proposals. Citywide's deficiencies/weaknesses diminish its strong points. Citywide fails to address technical capability and operation procedures in a meaningful way. Citywide's final proposal does not adequately address issues raised during discussions. In relation to Meridian and Johnson Controls, Citywide's proposal does not reflect as high a level of past performance/experience.

Agency Report, tab P-3, TEC Report, July 20, 2000, at 9.

The price evaluation committee (PEC) analyzed the offerors' pricing and responses to the discussions and determined that all offerors' prices were fair and reasonable. All were found to have responded satisfactorily to the discussion questions about price. Meridian verified its prices in response to the written discussion questions and did not revise its initial proposed price. Citywide increased its price (from its initial price of \$35,577,209) in response to the discussion letters, although it verified and left unchanged many of the item prices that the agency had identified as significantly high and low.

The source selection authority (SSA) concurred with the TEC and PEC reports, and selected the highest-rated and lowest-priced proposal submitted by Meridian as representing the best value to the government. On July 25, the agency awarded the contract to Meridian. Citywide requested and received a debriefing. This protest followed.

Citywide first protests that the agency failed to conduct an adequate price realism analysis.

While agencies are required to perform some sort of price analysis or cost analysis on negotiated contracts to ensure that the agreed-price is fair and reasonable, where, as here, the award of a fixed-price contract is contemplated, a proposal's price realism is not ordinarily considered, since a fixed-price contract places the risk and responsibility for contract costs and resulting profit or loss on the contractor. OMV Med., Inc.; Saratoga Med. Ctr., Inc., B-281387 *et al.*, Feb. 3, 1999, 99-1 CPD ¶ 52 at 5. However, an agency may provide for price realism analysis in the solicitation for such purposes as measuring an offeror's understanding of the solicitation requirements, The Cube Corp., B-277353, Oct. 2, 1997, 97-2 CPD ¶ 92 at 4, or to avoid

the risk of poor performance from a contractor who is forced to provide services at little or no profit. Ameriko, Inc., B-277068, Aug. 29, 1997, 97-2 CPD ¶ 76 at 3. The depth of an agency's price realism analysis is a matter within the sound exercise of the agency's discretion. Volmar Constr., Inc., B-272188.2, Sept. 18, 1996, 96-2 CPD ¶ 119 at 6.

Given the several iterations of competition that occurred here with all three offerors participating, this procurement was conducted under vigorous price competition. The PEC compared each offeror's prices to the government estimate and to the prices of competitors, and also determined on an item-by-item basis whether item prices appeared significantly high or low for the work requirements. The offerors were then requested to verify these prices and also asked whether they could perform the proposed work at the low prices. The offerors did so.³ The agency then determined that the offerors' prices were fair and reasonable, and that the work could be performed at the respective prices. In our view, this is a sufficient price analysis. See Federal Acquisition Regulation (FAR) § 15.404-1(a)(1), (b); Valenzuela Eng'g, Inc., B-283889, Jan. 13, 2000, 2000 CPD ¶ 1 at 4-5.

Citywide challenges the depth of the price analysis, essentially alleging that anything short of evaluating the cost elements for each CLIN price is an unreasonable price analysis. However, even where some elements of cost are obtained from offerors to support proposed prices, a detailed cost realism analysis is not required for evaluating proposals for fixed-price contracts, where, as here, adequate price competition exists. See FAR § 15.404-1(a), (c), (d)(2), (3); Newport News Shipbuilding and Dry Dock Co. et al., B-261244.2 et al., Sept. 11, 1995, 95-2 CPD ¶ 192 at 7-8.

While Citywide does not challenge the evaluated quality or approach of Meridian's highest-rated technical proposal, it contends that Meridian's low prices alone, particularly for some of the CLINs, should have had an adverse impact on the evaluation of Meridian's technical proposal, since the RFP stated that proposals which have unrealistic prices may reflect a lack of technical understanding or

³ Meridian made no price revisions. For both high and low CLIN prices identified by the agency, Meridian stated that the agency's evaluated price variances may be attributable to Meridian's "[DELETED]" and stated that Meridian could perform the work at its proposed prices. Agency Report, tab N-2, Meridian's Response to Discussions (June 15, 2000). Although Citywide revised some of its CLIN prices resulting in a total price increase, it verified many of its low CLIN prices, as identified by the agency, by stating each of these CLIN prices "remains unchanged" with no explanation; additionally, Citywide stated for high CLIN prices, as identified by the agency, that the prices were "verified" and that the agency's evaluated price variance may be due to Citywide's distribution of "[DELETED]." Agency Report, tab O-2, Citywide's Response to Discussions (June 15, 2000), at 2-3.

indicate a failure to fully comprehend the complexity and risks of the proposed contractual requirements and may result in a reduction of a proposal's technical score.

We disagree. Here, although the RFP vested the agency with discretion to reduce technical scores based on concerns about unrealistic prices, it did not require such downgrading. Cf. America Lawn Servs., Inc., B-267715, Dec. 20, 1995, 95-2 CPD ¶ 278 at 4-6 (where the RFP mandated such downgrading where prices were found unrealistically low). While it is true that the agency had concerns about the low (and high) prices of many of the CLINs, in our view, it handled its concerns reasonably. As noted above, during discussions, the PEC identified for each offeror specific item prices that appeared significantly high or low and asked all offerors to verify the price and, for low prices, “[v]erify the work can be performed in accordance with the scope of work for the price proposed.” Agency Report, Tab L-3, Agency Discussions Letter to Meridian (June 13, 2000) and attach.; Tab M-3, Agency Discussions Letter to Citywide (June 13, 2000) and attach. As stated above, each offeror responded with price revisions and/or price verification.⁴ Although the lack of uniformity of CLIN prices among the offerors, including apparent below-cost prices for some CLINs, caused the PEC some continuing concerns about all offerors' prices, the agency determined that, judging from the technical proposals and each offeror's proposed staffing level, each offeror, including Meridian, understood and could perform the contract requirements at their proposed prices. Id., Tab J-3, PEC Report (June 21, 2000); Agency Supplemental Report, at 6-7; Tab S-1, Declaration of PEC Chairperson.

Given the undisputed quality of Meridian's highest-rated technical proposal, its verification of its CLIN prices, and the agency's discretion in determining the depth of price realism analyses, we find no basis to question the agency's determination not to lower Meridian's technical scores because of its low price. See EC Corp., B-266165.2, Feb. 20, 1996, 96-1 CPD ¶ 153 at 3-4 (agency not required to downgrade technical proposal for lack of technical understanding because its price is substantially below the government estimate); Birch & Davis Assocs., Inc.—Protest and Recon., B-246120.3, B-246120.4, Apr. 20, 1992, 92-1 CPD ¶ 372 at 7 (fixed-price contract may be awarded at price substantially below government estimate, even where discrepancies existed in the awardee's cost elements, where the awardee submitted the best technical proposal, that proposal reflected an understanding of the contract requirements, a vigorous competition was conducted, and agency knew

⁴ Citywide alleges that the agency's discussions misled Citywide into raising its prices. Protester's Comments at 7. We find this allegation unpersuasive because the agency's request for price verification did not ask Citywide to raise its prices, or otherwise imply it, and Citywide evidently did not perceive this as the case, since it verified many of its low prices without change or explanation. See Agency Report, Tab J-3, PEC Report (June 21, 2000), at 2; Tab O-2, Citywide Response to Discussions (June 15, 2000), at 2.

of and considered the disparity between awardee's price and the government estimate).

Citywide next argues that Meridian's proposed CLIN pricing was unbalanced, but was not analyzed by the agency to determine whether this posed an unacceptable risk to the government.

Unbalanced pricing exists when, despite an acceptable total evaluated price, the price of one or more contract line items is significantly over or understated as indicated by the application of cost or price analysis techniques.⁵ FAR § 15.404-1(g)(1). An agency's acceptance of a proposal with unbalanced pricing is not, in and of itself, improper. An agency may lawfully award a contract on the basis of a proposal with unbalanced pricing, provided it has concluded that the pricing does not pose an unacceptable level of risk, and the prices the agency is likely to pay under the contract are not unreasonably high. FAR § 15.404-1(g)(2), (3); Red River Serv. Corp., B-282634, B-282634.2, July 15, 1999, 99-2 CPD ¶ 31 at 3; J&D Maintenance and Serv., B-282249, June 18, 1999, 99-2 CPD ¶ 28 at 7.

Although the agency does not concede the point,⁶ we believe that the protester has presented persuasive evidence that Meridian's CLIN prices were unbalanced, in that some CLIN prices were significantly understated because [DELETED], and other CLIN prices were significantly overstated [DELETED]. Indeed, as noted above, the record shows that the evaluators regarded a number of CLIN prices in Meridian's proposal to be either substantially low or high, and noticed that some of Meridian's

⁵ The solicitation incorporated the unbalanced pricing provision under FAR § 52.217 Evaluation of Options (JUL 1990), which stated:

(b) The Government may reject an offer as nonresponsive if it is materially unbalanced as to prices for the basic requirement and the option quantities. An offer is unbalanced when it is based on prices significantly less than cost for some work and prices which are significantly overstated for other work.

RFP amend. 7, at M-1. The regulatory language governing the treatment of unbalanced pricing was changed when FAR Part 15 was revised in 1997. The current FAR definition of unbalancing applies to solicitations, such as the present RFP, issued after January 1, 1998.

⁶ The agency asserts there was no unbalancing because all of the proposals, including Meridian's and Citywide's, contained CLIN prices that substantially varied from each other's and the government estimate, and because there was no "attempt [by Meridian] to front load the costs and unbalance the bid." Supplemental Agency Report at 3-4; Tab S-2, Declaration of PEB Chairperson, at 2.

CLIN prices did not include [DELETED] whereas other CLINs [DELETED]. Agency Report, Tab J-1, PEC Report (May 12, 2000), at 2; Tab J-2, PEC Report (June 12, 2000), at 3-5; Tab J-3, PEC Report (June 21, 2000), at 2-3; Agency Supplemental Report, Tab S-2, Declaration of PEC Chairperson, at 2. Thus, the record evidences that a number of Meridian's CLIN prices are significantly understated or overstated, and are therefore unbalanced under FAR § 15.404-2(g).⁷

Where, as here, a price analysis or cost analysis indicates that prices are unbalanced, the contracting officer "shall" consider risks to the government associated with the unbalanced pricing and whether award will result in paying unreasonably high prices for contract performance; an offer may be rejected if it is determined that the lack of balance poses an unacceptable risk to the government. FAR § 15.404-1(g)(2), (3). Here, since the agency concluded that the price analysis did not indicate that Meridian's prices were unbalanced, it did not specifically consider the risks associated with unbalanced prices. Agency Supplemental Report at 3-4, 6; Tab S-2, Declaration of PEC Chairperson, at 2. In light of our conclusion that the pricing in Meridian's proposal appears unbalanced, it was improper for the agency not to have considered the risk posed by that unbalancing (even if, having considered that risk, the agency could have proceeded to award the contract to Meridian). Our review of the record, however, shows no reasonable possibility that the protester was prejudiced by the failure of the agency to specifically analyze the risks of Meridian's unbalancing because no material risk to the government from this unbalancing is apparent from the record.

The majority of the work under this contract for base maintenance services is work priced on a monthly basis. While there are various other CLINs priced on either an hourly or square footage basis, there is no indication (or even an allegation from the protester to this effect) that the estimated amounts contained in the RFP for these CLINs are not accurate or do not represent the most probable estimate of these services that the government will order under the contract. Thus, there is no basis to believe that the actual quantities ordered will deviate from those estimates, and particularly that they will deviate from the estimates in a way that would mean that Meridian's pricing structure will cost the government significantly more than was calculated using the RFP estimates.⁸ Neals Janitorial Serv., B-279633, June 3, 1998,

⁷ Citywide also alleges that the agency's acceptance of Meridian's method of allocating costs violates FAR § 15.404-1(f). Although this regulation does require that unit prices reflect the intrinsic value of an item and prohibits the use of any method of distributing costs to line items that distorts unit price, the regulation expressly does not apply where, as here, adequate price competition exists. FAR § 15.404-1(f)(1).

⁸ We note that the hourly CLINs request unit prices for up to a "not to exceed" hourly figure equal to the estimated amount that was the basis for the evaluation, so any risk that the government will pay too much for high-priced hourly work is minimized. (continued...)

98-1 CPD ¶ 156 at 4 (unbalanced prices for indefinite-quantity work not a basis for sustaining protest where the estimates stated in solicitation are reasonably accurate).

The protester alleges that the risks to the agency from Meridian's unbalanced pricing are significant because the RFP states that the agency may delete or rescope work requirements and thus not reap the savings from Meridian's understated CLIN prices if the work covered by those items is deleted or reduced. In this regard, the RFP states that the government is pursuing an Energy Saving Performance Contract (ESPC) "across the Military District of Washington, which includes Fort Hamilton," and reserves the option to modify the Fort Hamilton base operations contract in the context of such an award; the RFP also states that the government is considering other privatization efforts. RFP amend. 7, at B-1. The agency states that any possibility of these government efforts affecting the work requirements of this RFP during the potential term of this contract remains speculative and in fact deleted work could come from either high-priced line items or low-priced ones. Agency Response to Interrogatory, Oct. 16, 2000, at 3-4. Therefore, any risk to the government from this potential deletion or rescoping of the contract work seems too speculative to be considered significant.

Moreover, the agency's report on this protest issue asserted that Meridian's proposal would remain low even considering the protester's allegations. Agency Supplemental Report at 7. Citywide has not identified a single scenario, regardless of the likelihood of it occurring, that illustrates how Meridian's highest-rated and lowest-priced proposal would not remain so. Absent showing credible evidence of risk of some significance providing possible grounds for rejecting an unbalanced offer under the regulation, the protest does not establish an adequate basis to disturb the agency's award.⁹ See Kellie W. Tipton Constr. Co., B-281331.3, Mar. 22, 1999, 99-1

(...continued)

Citywide contends, however, that a significant portion of Meridians' understated prices are on hourly CLINs, so that the agency will not receive the savings of these low prices if the actual level or performance comes in below the not-to-exceed level. Given that there is no suggestion the estimates for these CLINs are inaccurate, we think that this risk is too remote to be considered significant.

⁹ Citywide also contends that the agency did not consider the performance risks associated with Meridian's low prices on some CLINs (particularly the per hour CLINs) that Meridian will have the incentive not to perform the corresponding work requirements, or to perform poorly because its prices for these CLINs are below cost. However, as discussed above, there seems to be no unconsidered risk here because the agency, based on its analysis of the Meridian's prices, technical approach, and staffing, determined that Meridian understood and could perform the contract requirements at its proposed prices.

CPD ¶ 73 at 6 (where alleged unbalanced price remains low under most order scenarios, the price risk from alleged unbalanced pricing is not unacceptable).

Citywide also alleges that RFP amendment 0013 stated a requirement that management overhead costs be included as part of each item price, and that the agency improperly relaxed this requirement for Meridian only. The portion of amendment 0013 referenced by the protester states a question by an offeror as to whether management overhead costs should be included “as part of each CLIN” or “submitted as a separate item,” and the agency’s answer that such costs should be included “as part of each CLIN,” rather than be separately priced. RFP amend. 0013, at 2. The agency persuasively states that, given the context of the question, the amendment did not create a requirement for equitable overhead allocation to each CLIN price, but rather provided guidance that such costs were not to be separately priced outside the CLINs. Supplemental Agency Report at 4-5. In any case, even if the amendment did create the alleged pricing requirement, the record does not show that the competition was in any way compromised by the agency’s acceptance of Meridian’s proposal or that Citywide was otherwise prejudiced. There is no evidence, and it is not otherwise apparent, that the waiver of the alleged requirement would in any way affect any offeror’s proposed overall price (Citywide does not claim, for example, that this would allow it to significantly lower its overall price), and, as discussed above, there is no significant risk to the government from unbalancing if this were a requirement that Meridian’s proposal violated. See Input/Output Tech., Inc., B-280585, B-280585.2, Oct. 21, 1998, 98-2 CPD ¶ 131 at 7-8 (alleged waiver or violation of solicitation requirement does not provide basis to sustain protest where there is no prejudice).

Citywide also alleges that the agency unreasonably evaluated Citywide’s technical proposal under a number of subfactors.

In reviewing protests challenging an agency’s evaluation of proposals, we will not substitute our judgment for that of the agency regarding the merits of proposals; rather, we will examine the agency’s evaluation and selection decision to ensure that they are reasonable and consistent with the terms of the solicitation. Sarasota Measurements & Controls, Inc., B-252406.3, July 15, 1994, 94-2 CPD ¶ 32 at 4. A protester’s disagreement with the agency does not render the evaluation unreasonable. Valenzuela Eng’g, Inc., supra. As illustrated by the following example, we think Citywide’s protest allegations regarding the evaluation of its technical proposal constitute mere disagreements with the agency’s evaluation judgments and fail to demonstrate that the evaluation was unreasonable.¹⁰

¹⁰ Although we do not here specifically discuss all of Citywide’s complaints about its technical evaluation, we have reviewed them and concluded that they provide no basis to find the agency’s evaluation unreasonable.

For example, under technical capability, Citywide's technical proposal consisted primarily of general statements that it "knows how to" do something, that it "understands" specific work processes identified in the RFP, and that it "acknowledges" RFP requirements restated in the proposal. See, e.g., Agency Report, tab O-3, Citywide's Final Proposal Revisions, at 6-7. The TEC evaluation noted that Citywide's proposal used such vague description for each of the 11 technical task areas identified in the RFP performance work statement (PWS), and determined that the proposal thus did not demonstrate an understanding of the technical functions of the PWS. Agency Report, Tab I-1c, TEC Final Consensus Evaluation of Citywide's Proposal, at 1-3. The protester disagrees with this evaluation essentially because its proposal restates the PWS requirements, and thus, in its view, adequately demonstrates an understanding of those requirements. We view it as reasonable for the agency to evaluate Citywide's simple restatement of the solicitation requirements in its proposal as not adequately demonstrating an understanding of the work requirements. See Joseph L. DeClerk and Assocs., Inc., B-220142, Nov. 19, 1985, 85-2 CPD ¶ 567 at 4.

Citywide also contends that it should have received higher point scores under various technical factors. Although we do not think that the protester has demonstrated that the point scores assigned by the TEC were unreasonable, even if the scores themselves should be different, the protester has not shown that the evaluated strengths, weaknesses and deficiencies of the respective proposals were unreasonable. It is well established that ratings, be they numerical, color or adjectival, are merely guides for intelligent decision-making in the procurement process. RGII Techs., Inc.-Recon. and Protest, B-278352.2, B-278352.3, Apr. 14, 1998, 98-1 CPD ¶ 130 at 10; Grey Adver., Inc., B-184825, May 14, 1976, 76-1 CPD ¶ 325 at 9. Here, the agency's evaluation and selection decision went beyond technical scores and considered the specifics of the proposals to determine that Meridian's and Johnson Controls' technical proposals were essentially equivalent and substantially superior to Citywide's. Agency Report, Tab P-3, Final TEC Report, at 9; Tab R, Source Selection Decision, at 1. The protester simply has not shown that the agency was unreasonable in finding Citywide's proposal inferior to Meridian's.

Citywide finally alleges that Meridian misrepresented its experience in the personal property shipping office (PPSO) function during the prior competitions and should have been disqualified. As noted in our prior decisions concerning an earlier stage of this procurement, Meridian identified "informal" PPSO experience while performing a management and operations contract at another military installation. Johnson Controls World Servs., Inc.; Meridian Management Corp., supra, at 7; see Meridian Management Corp.; Johnson Controls World Servs., Inc., supra, at 8. At that time, the agency determined that Meridian did not previously perform a "contract" for

PPSO services and downgraded, but did not disqualify, Meridian.¹¹ In the latest round of competition, Meridian abandoned its claims of informal experience and proposed a subcontractor with formal PPSO experience. Agency Report at 8. Other than statements of unidentified employees of the incumbent contractor overheard by a Citywide employee in a shop, Declaration of Citywide's Vice President (Aug. 29, 2000), Citywide presents no new information on this matter. The record simply provides no basis to find that Meridian made a material misrepresentation in this matter.

The protest is denied.

Anthony H. Gamboa
Acting General Counsel

¹¹ The agency describes the situation as one of misunderstanding between the prior evaluators and Meridian (rather than one of misrepresentation by Meridian), in that Meridian was seeking credit for services that it allegedly performed outside the requirements of a contract, whereas the agency evaluated proposals for performance under contract requirements and thus determined that Meridian did not have the claimed PPSO experience. Agency Report at 8-9.