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**Comptroller General
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**United States Government Accountability Office
Washington, DC 20548**

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Decision

Matter of: SelectTech Bering Straits Solutions JV; Croop-LaFrance, Inc.

File: B-400964; B-400964.2; B-400964.3

Date: April 6, 2009

William K Walker, Esq., Walker Reausaw, for SelectTech Bering Straits Solutions JV; and Shlomo D. Katz, Esq., Tammy Hopkins, Esq., William S. Schmidt, Esq., and Daniel B. Abrahams, Esq., Brown Rudnick, for Croop-LaFrance, Inc., the protesters. Lt. Col. Won K. Lee, Department of the Air Force, for the agency. David A. Ashen, Esq., and John M. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest asserting that agency improperly failed to reconcile disparity between awardee's technical proposal staffing and staffing level used in the cost evaluation, with agency assuming lower staffing for awardee in cost evaluation than level proposed in awardee's technical proposal, resulting in a downward adjustment in awardee's evaluated cost/price, is denied where there is no indication that awardee's proposal received a higher technical evaluation rating as a result of the higher staffing level in its technical proposal.
 2. Protest that agency improperly failed to credit protester's proposal in final technical evaluation with proposal (first set forth in discussions response) to exceed minimum performance standards set forth in performance work statement (PWS) in solicitation is denied where request for final proposal revisions (FPR) provided that FPR "must include any revisions to the PWS, so that any negotiated changes will be considered," but protester's PWS included in its FPR model contract did not specifically incorporate previously proposed enhancements.
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DECISION

SelectTech Bering Straits Solutions JV (SBSS) and Croop-LaFrance, Inc. (CLF) protest the Department of the Air Force's award of a contract to I.S. Technologies LLC d/b/a Computer Systems Design LLC (IST), under request for proposals (RFP) No. FA8770-08-R-0005, for information technology transformation services at Wright-Patterson Air Force Base (WPAFB), Ohio. The protesters challenge the evaluation of proposals and conduct of discussions.

We deny the protests.

The solicitation provided for award of a contract to centralize Information Technology (IT) Service Desk support, Client Support Administrators (CSA), and Functional Systems Administrators (FSA) duties under the operational direction of the 88th Communications Group for systems connected to the WPAFB network backbone, including desktops, laptop systems, peripherals, printers, server/systems support, and functional/systems application support. The contract was to include an initial, cost-plus-award-fee transition and transformation period ending in July 2009, with firm-fixed-price (FFP) options for six 6-month support periods thereafter.

Award was to be made to the offeror whose proposal represented the “best value” based on four evaluation factors: (1) mission capability (with five subfactors-- technical approach to CSA/FSA/Automated Data Processing Equipment Custodian (ADPE EC) support (technical approach/support), technical approach to process improvement initiatives, management approach/program management plan, management approach/transition plan, and management approach/teaming approach and structure; (2) proposal risk, evaluated at the mission capability subfactor level; (3) past performance; and (4) cost/price. Mission capability, proposal risk, and past performance were equal in importance and, combined, were significantly more important than cost/price.

Offerors were required to furnish proposed labor hours and rates for each of several labor categories in each of the contract time periods set forth in the solicitation pricing template, including program management, technical lead, CSA technical lead, FSA technical lead, CSA, FSA, and ADPE EC. The RFP provided for each element of the pricing schedule to be evaluated for realism and reasonableness. In this regard, the solicitation included a schedule with the agency’s estimate of the number of IT users expected to be added to the contract at various points during the contract period (as well as the approximate number of each type of IT equipment to be supported). In addition, the solicitation stated that “[h]istorically at WPAFB and supported by market research, it is estimated that the service desk could potentially receive 1.2-1.4 calls per user per month.” RFP attach. F, Notional Ticket Count.

For purposes of the evaluation, the agency developed internal optimal staffing ranges for CSAs, FSAs and ADPE ECs. For example, while the average ratio (mean) in the proposals received was 151 users per CSA, the Air Force Materiel Command target staffing level was 150 users per CSA, and the technical evaluation team determined that 150 users was the optimal ratio for CSA staffing. The evaluators then established a range of plus or minus 10% above or below the optimal ratio to arrive at an optimal range; offerors’ proposed staffing levels would be compared to this optimal range for purposes of calculating the most probable cost for the cost-plus contract line items (CLIN) and the FFP cost risk for the FFP CLINs. Initial Agency Memorandum of Law at 5-8; Initial Contracting Officer’s Statement at 7-9; Source Selection Authority (SSA) Decision Briefing at 30.

Fourteen proposals were received by the closing time on April 17, 2008. Seven proposals, including those of IST, SBSS and CLF were included in the competitive range. After conducting discussions with the seven offerors, the Air Force requested final proposal revisions (FPR). The agency evaluated the FPRs as follows:

| | IST | SBSS | CLF |
|--|---------------------|----------------|----------------|
| MISSION CAPABILITY (Adjectival/Risk) | | | |
| Technical Approach-Support | Acceptable/Moderate | Acceptable/Low | Acceptable/Low |
| Process Improvement Initiatives | Acceptable/Low | Acceptable/Low | Acceptable/Low |
| Program Management Plan | Acceptable/Low | Acceptable/Low | Acceptable/Low |
| Management Approach/Transition | Acceptable/Low | Acceptable/Low | Acceptable/Low |
| Teaming Approach | Acceptable/Low | Acceptable/Low | Acceptable/Low |
| PAST PERFORMANCE (Confidence) | Significant | Significant | Significant |
| COST/PRICE (millions) | | | |
| Proposed Cost/Price | \$40.441 | [\$REDACTED] | [\$REDACTED] |
| Evaluated Cost/Price | \$38.399 | [\$REDACTED] | [\$REDACTED] |
| FFP Cost Risk | \$3.824 | [\$REDACTED] | [\$REDACTED] |

The final adjectival and risk ratings among the three proposals were the same, with no strengths or deficiencies identified, with one exception. Source Selection Decision (SSD) at 4-6, 9. Specifically, IST’s proposal received a moderate risk rating under the mission capability subfactor for technical approach/support on the basis that its low level of proposed CSA staffing and proposed use of Level I CSAs (rather than Level II or III CSAs, with more education/experience) to staff the service desk created a “potential for degradation of performance.” SSD at 6. However, the agency determined that this risk could be “easily managed and mitigated during the transition period by special contractor emphasis and close government monitoring to overcome difficulties.” SSD at 9. In this regard, the SSA indicated that his confidence in IST’s ability to overcome the evaluated staffing risk was increased by the fact IST had been rated as having exceptional performance on one of two highly relevant contracts and very good performance on the other. Furthermore, while the evaluated cost of IST’s proposal for the initial, cost-plus-award-fee transition and transformation period was increased upwards to account for the increased number of CSAs the agency estimated would be required, the agency also adjusted IST’s proposed costs downward to account for its determination that IST’s proposal overstaffed FSA. (Likewise, while IST’s fixed-price option period pricing was not adjusted, the “FFP cost risk” assessed by the agency--to account for overpricing or underpricing--was adjusted upward to reflect evaluated CSA understaffing and

downward to reflect FSA overstaffing.) As adjusted, IST's evaluated cost/price (\$38.4 million) remained significantly lower than SBSS's (\$[REDACTED]) and CLF's (\$[REDACTED]). The SSA concluded that IST's proposal's moderate risk rating in this one area was offset by its lower cost, and thus represented the best value; the SSA thus made award to IST.

In reviewing protests of alleged improper evaluations and source selection decisions, it is not our role to reevaluate submissions; rather, we will examine the record to determine whether the agency's judgment was reasonable and in accord with the stated evaluation criteria and applicable procurement laws and regulations. Panacea Consulting, Inc., B-299307.4, B-299308.4, July 27, 2007, 2007 CPD ¶ 141 at 3. Here, based on our review of all of SBSS's and CLF's timely arguments, we find no basis for questioning the award decision. We discuss the protesters' principal arguments below.

SBSS PROTEST

SBSS asserts that the technical evaluation of IST's proposal was inconsistent with the cost/price evaluation, in that the technical proposal was not reevaluated in light of the staffing adjustments made for purposes of the most probable cost adjustment. According to the protester, an offeror "could propose a technical approach which included staffing well in excess of the Government's optimal staffing levels (and thus receive a higher technical rating) and not be penalized" in the technical evaluation even where the agency assumed a lower staffing level in evaluating cost. SBSS Comments at 2.

Where the cost and technical evaluation of a proposal reach contradictory conclusions, the agency generally is required to reconcile the evaluations. See Serco, Inc., B-298266, Aug. 9, 2006, 2006 CPD ¶ 120 at 7; Information Ventures, Inc., B-297276.2 et al., Mar. 1, 2006, 2006 CPD ¶ 45 at 6.

Here, there was an ultimate disparity between the technical proposal staffing and the staffing level used in the cost evaluation--based on its estimate of required FSA staffing, the Air Force assumed lower FSA staffing for IST in the cost evaluation than the level proposed in IST's technical proposal, resulting in a downward adjustment in IST's cost/price. While, on its face, this appears to present an evaluation inconsistency, in fact, there is no indication that IST's proposal received a higher evaluation rating as a result of the higher staffing level in its technical proposal; the record indicates that IST's proposal in fact received only an acceptable rating, without any evaluated strengths, under the technical approach/support subfactor of the mission capability factor. Since IST received no evaluation benefit from its higher proposed staffing level--there is no argument that IST's staffing should have been found less than acceptable--there is no basis for us to object to this aspect of the evaluation of IST's proposal.

SBSS asserts that the agency improperly failed to credit its FPR with several strengths noted prior to the FPR evaluation. In this regard, in an interim evaluation of SBSS's proposal--based on discussion responses, prior to receipt of FPRs--the agency determined that SBSS proposed to exceed the performance work statement (PWS) requirements in two respects that warranted evaluation strengths under the technical approach/support subfactor: (1) it proposed [REDACTED]; and (2) it proposed [REDACTED]. As a result of these strengths, SBSS's proposal received an interim evaluation rating of exceptional under the technical approach/support subfactor. However, the agency disregarded these strengths in its evaluation of SBSS's FPR on the basis that the proposed higher performance standards were not included in the PWS attached to its model contract, and "therefore [are] not contractually binding." Rating Team Worksheet at 9-10. As a result, SBSS's final rating under the technical approach/support subfactor was only acceptable. SBSS asserts that, because these enhancements were included in the executive summary of its FPR, it was unreasonable for the agency to ignore them in the FPR evaluation. SBSS FPR Executive Summary at i.

The Air Force's evaluation approach was consistent with the solicitation, and thus unobjectionable. In this regard, the agency's FPR request to offerors provided as follows:

The final proposal revision affords you the opportunity to revise your proposal to incorporate matters that were addressed in the Discussion Evaluation Notice process, as well as in RFP Amendment 0008 (Atch 2 to this letter). . . . When revising the proposal you previously submitted, you must submit all portion(s) of your proposal that you have revised. You must submit any changes to your proposal that resulted from discussions as part of your final proposal revision. If your final proposal revision fails to include any changes addressed in the Discussion Evaluation Notice process, your evaluation of any such issues will be based only on your initial proposal. The evaluation team will not consider your previous responses to Discussion Evaluation Notices that you do not include as changes with your final proposal revision. The FPR must include any revisions to the PWS, so that any negotiated changes will be considered. This applies to the PWS, as well as all attachments submitted or revised. (Emphasis added.)

Request to SBSS for FPR, Oct. 24, 2008, at 1; see, e.g., Request to IST for FPR, Oct. 24, 2008, at 1. Since this information was disseminated in writing to all offerors, and was signed by the contracting officer, it constituted an RFP amendment. Proteccion Total/Magnum Sec., S.A., B-278129.4, May 12, 1998, 98-1 CPD ¶ 137 at 3; see Linguistic Sys., Inc., B-296221, June 1, 2005, 2005 CPD ¶ 104 at 2.

The model contract signed by SBSS and included in its FPR provided as follows:

The Contractor shall provide Client Support Administrator (CSA) and Functional System Administrator (FSA) services in accordance with Section J, Attachment 1, Performance Work Statement . . . and Exhibit A, Contract Data Requirements Lists

RFP Section B, Schedule of Supplies/Services. The model contract included a similar requirement to furnish the ADPE EC services in accordance with the PWS. Id. Since the PWS included in SBSS's model contract did not specifically incorporate the two previously proposed enhancements the agency was precluded by the terms of the amended RFP from considering the enhancements in the FPR evaluation.

CLF PROTEST

CLF asserts that the Air Force conducted misleading discussions regarding its proposed staffing. In this regard, in its initial, clarification evaluation notice (EN) to CLF in this area, the agency noted that CLF's initial proposal indicated that there would be periods when only [REDACTED] would staff the service desk. The agency requested CLF to furnish an analysis showing that the proposed staffing of the service desk would meet the PWS requirements, including the requirements for calls to be answered by a service desk agent within 3 minutes and for specified first call resolution rates to be met. EN-08-R-0005-Croop-0003. In its response, CLF explained that, when the service desk was staffed by only [REDACTED].

After establishing the competitive range, the Air Force again raised its concern in this area with two additional ENs. Noting that the RFP indicated an historical call volume of 1.2 to 1.4 tickets per month per user, the agency again requested CLF to furnish its analysis showing that the proposed CSA staffing would ensure "availability at all times to meet the performance required in the PWS," when only [REDACTED] was proposed to staff the service desk [REDACTED]. EN-08-R-0005-Croop-0005. While CLF indicated in its response to the EN that it had experienced a rate of only [REDACTED] calls per user per month at a different Air Force base, it nevertheless added [REDACTED] to each of 3 shifts, for a total increase of [REDACTED] CSAs. CLF stated that "[t]his addition will eliminate the Government's perceived risk of [REDACTED] manning the service desk negatively impacting performance delivery." Exh. 034 at 6, 12. At the same time, the agency issued another EN advising CLF as follows:

Your proposal to meet the RFP requirements does not provide a rationale to explain how the staffing (experience, education, and quantities) will meet the RFP requirements with acceptable levels of risk.

Based on the Technical Analysis and the mean across all proposals received, your CSA staffing levels were found to be lower than

10 percent below the mean. Please explain the rationale (additional detail above what you provided in the Vol IV BOE) of how you arrived at these staffing levels, the mix of CSAs (CSA I, CSA II, CSA III, CSA Tech Lead), and how they address the requirements identified in the PWS.

EN-08-R-0005-Croop-0008. CLF responded to this concern by referring the agency to its response to the first EN--“Please see response to EN-08-R-0005-Croop-0005.” Exh. 034 at 115.

The Air Force subsequently issued another EN questioning CLF’s apparent reliance on its experience of a rate of only [REDACTED] calls per user per month at a different Air Force base, rather than on the historical call volume of 1.2 to 1.4 tickets per month per user reported in the RFP. This EN provided as follows:

EN-08-R-0005-Croop-0005 response proposed to use number of calls per user per month of .85 as opposed to 1.2-1.4 as stated in the ITO, attachment F, para. 1.

Your assumption that the service desk will receive .85 calls per user per month is not consistent with historical data from WPAFB and market research. Additionally, the Government does not agree with your assumption that the user base make up/complexity of WPAFB is comparable to that of the [REDACTED] AFB user base make up/complexity. The Government is concerned that your proposal may not be adequate to resolve the anticipated volume of calls to the help desk. Please explain and discuss your approach to provide help desk services capable of resolving the estimated 1.2-1.4 calls per user per month based on the data reflected in ITO, Attachment F, paragraph 1.

EN-08-R-0005-Croop-0010. In response, CLF added [REDACTED] CSAs “[t]o further minimize risk during the IT transformation.” Exh. 034 at 171. CLF further stated that “[t]hese [REDACTED] additional CSAs will increase staffing response to trouble calls, allowing Team CL to easily handle the surges prevalent with major transitions.” Exh. 034 at 125, 171. At the conclusion of discussions, the agency provided to CLF a summary of the interim evaluation ratings regarding its proposal. While the summary identified a weakness based on CLF having failed to account for demand during peak duty hours, it also indicated that the previous addition of CSAs “now provides [an] adequate number of service desk [full time equivalents].” Exh. 032 at 158.

CLF asserts that the staffing discussions were misleading, pointing to the statement in EN-08-R-0005-Croop-0008 that, “[b]ased on the Technical Analysis and the mean across all proposals received, your CSA staffing levels were found to be lower than 10 percent below the mean.” CLF notes, in this regard, that the agency’s initial evaluation indicated that CLF’s proposed CSAs were below the acceptable staffing range for only 5 of the 16 contract time periods, and also notes that the agency failed

to advise it that its CSA staffing for 8 of the 16 contract time periods, while within the acceptable range, was actually above the optimal point/mean. CLF asserts that it was misled into adding [REDACTED] CSAs at a cost increase of approximately \$[REDACTED].

Discussions, when conducted, must be meaningful, that is, they may not be misleading and must identify proposal deficiencies and significant weaknesses that could reasonably be addressed in a manner to materially enhance the offeror's potential for receiving award. PAI Corp., B-298349, Aug. 18, 2006, 2006 CPD ¶ 124 at 8. However, this requirement does not mean that agencies must discuss every element of an offeror's proposal that receives less than the maximum rating when such elements are reasonably subsumed within a more general area of the proposal that has been identified as requiring amplification or correction. Cube--All Star Servs. Joint Venture, B-291903, Apr. 30, 2003, 2003 CPD ¶ 145 at 12; Volmar Constr., Inc., B-270364, B-270364.2, Mar. 4, 1996, 96-1 CPD ¶ 139 at 4. Consistent with this principle, an agency is not required to describe how the offeror should revise its proposal to cure an existing weakness or defect. Rather, agencies need only lead offerors into the areas of their proposals that require correction or amplification. Cube--All Star Servs. Joint Venture, *supra*; Creative Mgmt. Tech., Inc., B-266299, Feb. 9, 1996, 96-1 CPD ¶61 at 4.

The Air Force's discussions with CLF were unobjectionable. CLF was advised of the agency's specific concerns--that its initially proposed number of CSAs was considered inadequate both in comparison to the mean number of CSAs proposed by the offerors, that CLF proposed staffing the service desk with only [REDACTED], and that CLF failed to account for demand during peak duty hours. While the agency also could have specified the periods of the contract during which CLF's proposed CSA staffing fell below 10% of the mean of the proposed staffing among offerors, there was no requirement for such higher level of specificity; the information provided clearly was sufficient to lead the protester into the area of concern. Further, as for the protester's suggestion that the agency should have advised it of the time periods for which its CSA staffing was acceptable but not optimal, there is no requirement for an agency to advise an offeror of areas of its proposal that are viewed as adequately staffed.

In any case, it is not apparent that any lack of further detail in connection with EN-08-R-0005-Croop-0008 was prejudicial. As noted above, CLF specifically justified the initial addition of [REDACTED] CSAs as "eliminat[ing] the Government's perceived risk of [REDACTED] manning the service desk negatively impacting performance delivery," that is, on the basis of the concern raised in EN-08-R-0005-Croop-0005, not on the basis of any lack of detail in EN-08-R-0005-Croop-0008. Exh. 034 at 6, 12. Likewise, CLF justified the subsequent addition of [REDACTED] additional CSAs as an acknowledgment of the historical workload at WPAFB, as set forth in the solicitation, and of the agency's desire for a superior service level and need to minimize risk during the contemplated IT transformation, rather than on the

basis comparison with the mean of the proposed staffing among offerors referenced in EN-08-R-0005-Croop-0008. We will not sustain a protest absent a showing of competitive prejudice. McDonald-Bradley, B-270126, Feb. 8, 1996, 96-1 CPD ¶ 54 at 3; see also, Statistica, Inc. v. Christopher, 102 F.3d 1577, 1681 (Fed. Cir. 1996).

The protests are denied.

Gary L. Kepplinger
General Counsel