



GAO

Accountability \* Integrity \* Reliability

Comptroller General  
of the United States

United States Government Accountability Office  
Washington, DC 20548

**DOCUMENT FOR PUBLIC RELEASE**

The decision issued on the date below was subject to a GAO Protective Order. This version has been approved for public release.

## Decision

**Matter of:** Federated IT, Inc.

**File:** B-410208

**Date:** November 18, 2014

---

David E. Fletcher, Esq., Cooley LLP, for the protester.

Jerry S. Hiatt Sr., Esq., and Robert D. English, Esq., Federal Bureau of Investigation, for the agency.

Brent Burris, Esq., and Edward Goldstein, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

---

### DIGEST

1. Protest alleging that agency improperly evaluated the protester's price is denied where the protester failed to provide all of the pricing information required under the solicitation, which was necessary to calculate the price the protester claims it intended.

2. Challenge to the agency's evaluation of the protester's quote is denied where the record shows that the evaluation was reasonable and consistent with the solicitation's evaluation factors.

---

### DECISION

Federated IT, Inc. (Federated), of Washington, D.C., a small business, protests the issuance of a task order to Qbase, LLC (Qbase), of Reston, Virginia, under Request for Quotes (RFQ) No. ITSCT018, issued by the Department of Justice, Federal Bureau of Investigation (FBI) for services related to the design, installation, and deployment of information technology (IT) cabling infrastructure.

We deny the protest.

### BACKGROUND

The RFQ, issued on May 1, 2014, to small business concerns holding Information Technology Services Contract Blanket Purchase Agreements under the General Services Administration (GSA) Schedule 70, contemplated the issuance of a task order for a 1-year base period with four 1-year options for work to be performed on

a fixed-price and a time-and-materials basis. RFQ at 5, 19. The solicitation sought project management, systems engineering, technical deployment, network cabling infrastructure, and procurement, logistics and warehousing support services for all efforts necessary to plan, design, develop, install, integrate, acquire and deploy enterprise IT cabling infrastructure and network computer systems in approximately 25 locations. Id. at 7.

The RFQ provided that award would be made on a best-value basis using an integrated assessment with a trade-off between non-price factors and price. The non-price factors, when combined, were to be given more importance than price in the tradeoff decision. Id. at 37. As set forth in the RFQ, the non-price evaluation factors were: (1) technical capabilities; (2) management approach; and (3) security evaluation. Id. at 38. The technical capabilities and management approach factors were to be assigned adjectival ratings of blue/exceptional, green/acceptable, yellow/marginal, or red/unacceptable. Id. The security evaluation factor was to be evaluated on a pass/fail basis. Id. at 39.

Regarding price, the solicitation instructed vendors to submit pricing for nine labor categories for the base and option periods. Id. at 35. In this regard, the solicitation advised vendors that based on agency estimates, the work could be accomplished by twelve individuals performing under nine identified labor categories.<sup>1</sup> Id. at 11. Two of the labor categories--the network design engineer and network support engineer--had to be located on-site at the FBI Headquarters in Washington, D.C., whereas the rest of the positions were to be located off-site at the contractor's facilities. Id. at 18.

The RFQ required vendors to include a price narrative with their price quotation and directed them to "clearly identify which labor categories are proposed; the names of the individuals proposed for each labor category; the company employing the proposed individuals and whether it is a prime contractor, team member, or subcontractor; the hourly rate for each individual; and the number of hours proposed for each individual." Id. at 35.

---

<sup>1</sup> The labor categories and estimated number of full-time equivalents (FTEs) for each category were as follows: project manager (1 FTE); system engineer (1 FTE); network design engineer (1 FTE); network support engineer (1 FTE); cabling team leads (2 FTEs); cabling installation technicians (2 FTEs); network deployment technicians (2 FTEs); logistics technician (1 FTE); and warehouse technician (1 FTE). RFQ, Pricing Template at 1.

## The RFQ's Pricing Template

The solicitation also directed vendors to organize their price quotes using a pricing template that was provided with the solicitation in a spreadsheet format. The issues raised in this protest require a detailed description of the format of this template.

For the base and each option year, the pricing template contained a table that was divided into two sections, with the left side reflecting pricing information for on-site work and the right side reflecting pricing information for off-site work. RFQ, Pricing Template at 1. Although the solicitation provided that only two positions were to perform their work on-site, the template listed all nine labor categories on both sides of the table.

On the left side of the table, for each labor category, there were columns for the contractor's on-site labor rate, the agency's estimated number of FTEs, the agency's estimated number of hours per FTE, and the on-site price for that labor category. Id. The on-site price column for each labor category was automatically calculated by a formula embedded in the table, which multiplied together the contractor's on-site rate, the number of FTEs, and the hours per FTE. Id. Below the labor categories, the left side of the table also contained a cell for the total on-site price, which was calculated by an embedded formula that added together the on-site prices for all of the labor categories, the contractor's proposed other direct costs (ODC), and a plug number for travel, which was provided in the template. Id.

The right side of the table was identical to the left, except that it substituted the on-site rate and on-site price columns for off-site rate and off-site price columns, respectively. Id. The right side of the table also did not contain a plug number for travel. Id. Similar to the left side of the table, the right side of the table contained a total price cell, which automatically summed together the prices of the labor categories based on the contractors' off-site rates and added this to the ODC cell for the off-site work, but did not include the cost of travel. Id.

At the bottom of the spreadsheet, the pricing template also contained two cumulative cost cells--one for on-site work and one for off-site work--which added together the total price cells for the base and all option years. Id. at 3. The template did not contain a cell that added together the prices for the on-site and off-site work.

Notably, the FBI included in the on-site and off-site sides of the table the estimated number of FTEs and hours for the labor categories for the entire contract. Id. For example, for the project manager position, which was an off-site position, and was estimated to require one total FTE during each year of the contract, the number one was pre-populated on both sides of the table in the estimated FTEs cells. Id. As explained by the agency, it was the FBI's expectation that a vendor would replace

the estimated FTEs included in the table with the actual number the vendor was proposing, and would place a value of zero in the estimated FTEs cells on the left side of the table to reflect those labor categories which would be performed off-site, and would place a value of zero in the estimated FTEs cells on the right side of the table for those labor categories designated as on-site. Contracting Officer's (CO) Statement of Facts at 6-7.

### Results of the Competition

The agency received quotes from seven vendors by the solicitation closing date, including those from the awardee and the protester. Id. at 1-2. Federated's and Qbase's final evaluation ratings and evaluated prices were as follows:

Vendor	Technical Capabilities	Management Approach	Security Evaluation	Total Evaluated Price
Federated	Green/Acceptable	Green/Acceptable	Pass	\$17,342,941.79
Qbase	Blue/Exceptional	Blue/Exceptional	Pass	\$10,699,490.07

Id. at 5.

With regard to the technical capabilities factor, the agency identified several weaknesses relating to the lack of experience of seven of the individuals Federated proposed. Agency Report (AR), Exh. 8, Federated Technical Capabilities Consensus Evaluation at 2-6. Specifically, the FBI found that Federated's proposed network design engineer lacked experience with TACLANE<sup>2</sup> network encryption, which the agency considered a key component of its IT network. Id. at 2. Likewise, the agency found that Federated's quote did not demonstrate that its proposed network support engineer had sufficient experience with servers, TACLANE network encryption, or Citrix systems. Id. at 2, 3, 6. The FBI also found that one of the network deployment technicians proposed by Federated did not have documented server or TACLANE encryption experience and that the proposed cabling infrastructure systems engineer lacked AutoCAD training and experience. Id.

Further, the agency found that the two cabling installation technicians proposed by the protester were primarily IT technicians and lacked "in-depth, current experience in cable management systems installations." Id. at 4-6. Finally, the agency concluded that Federated's quote failed to demonstrate that its warehouse technician had "the ability to operate a forklift or address the normal functions associated with this position such as material movement, packaging, and shipping." Id. at 6.

---

<sup>2</sup> TACLANE is the brand name of encryption devices manufactured by General Dynamics G4 Systems.

Under the management approach factor, the FBI did not identify any weaknesses or deficiencies in Federated's quote and concluded that the risk of unsuccessful performance was very low. AR, Exh. 10, Federated Management Approach Consensus Evaluation at 1-3. Nonetheless, the FBI concluded that Federated's quote did not demonstrate an exceptional approach or exceed requirements to such an extent that it warranted the highest rating of blue/exceptional. Id.; CO Statement of Facts at 10.

Under the price factor, the FBI calculated Federated's total evaluated price as \$17,342,941.79, based on the information provided by Federated in the pricing template. Id. at 5-7. This price was significantly higher than the evaluated prices of all other vendors. Id. In completing the template, the protester provided its on-site and off-site labor rates for each labor category for the base and four option years, however, Federated did not change the estimated FTEs or hours in the template to reflect those labor categories to be performed on-site and those to be performed off-site. AR, Exh. 6, Federated Revised Price Quote. Rather, the protester left in the table the numbers provided by the agency, which contained the total number of FTEs and hours required for each position on both sides of the table. Id. For example, for the project manager labor category, which was one of the positions to be performed off-site, the protester's pricing table included one FTE on-site and one FTE off-site. Id. As a result, when the agency added Federated's total price for on-site labor to its total price for off-site labor, it reflected a price for two project managers. Thus, in evaluating the protester's price quote, the FBI assumed that the quote reflected 24 FTEs, 12 on-site and 12 off-site, and the agency calculated the protester's total evaluated price accordingly. CO Statement of Facts at 5-7.

Aside from the pricing spreadsheet, the protester did not, as required by the solicitation, include in its price quote a narrative, the names of the individuals proposed for each labor category, the company employing the proposed individuals, the hourly rate for each individual, or the number of hours proposed for each individual. AR, Exh. 6, Federated Revised Price Quote.

On August 8, 2014, the FBI provided Federated with a written explanation of the award decision. Protest at 6. Federated timely filed the subject protest with this Office on August 11.

## DISCUSSION

Federated argues that the agency incorrectly evaluated its price based on 24 FTEs, rather than 12 FTEs, as the protester intended. The protester also alleges errors in the FBI's evaluation of the non-price factors, including that the agency unreasonably attributed a lack of experience to its personnel under the technical capabilities evaluation factor, that its quote warranted a rating of blue/exceptional under the management approach evaluation factor, and that the agency unreasonably found

that the awardee's quote was superior to the protester's with regard to the vendors' proposed personnel. For the reasons discussed below, we deny the protest.  
Price Evaluation

Federated first contends that the agency improperly evaluated its price proposal based on 24 FTEs performing under the task order rather than 12. While the FBI's pricing template, and the instructions for completing it, were not a model of clarity, we cannot find that the agency's evaluation of the protester's price was unreasonable, given the protester's failure to provide the FBI with the pricing information required by the solicitation.

According to Federated, the FBI unreasonably evaluated its price quote as proposing 24 FTEs because in completing the template, Federated did not change the pre-populated numbers in the estimated FTEs column provided by the agency. Protest at 7. Federated contends that since the agency itself identified 12 FTEs on each side of the template, the FBI should have understood that Federated's quote was proposing 12 FTEs, not 24. In addition, the protester contends that the technical and management volumes of its quote made clear it was proposing 12 individuals. We disagree with the protester for several reasons.

As an initial matter, in responding to vendor questions via amendments to the solicitation, the agency explained that the FTEs and hours provided in the solicitation were only estimates. RFQ, Amendment 1, Questions/Answers at 1, 3-4. As such, the vendors were required to identify in their price quotes the actual number of FTEs and hours they were proposing for each labor category. In addition, the solicitation specifically directed vendors to identify in their price quote the names of the individuals proposed for each labor category and the number of hours proposed for each individual. RFQ at 35. Despite this instruction, the protester did not include this information with its price quote.

Moreover, the technical and management volumes of the protester's quote did not specify the number of FTEs per labor category or the number of hours to be performed by the individuals proposed.<sup>3</sup> Rather, the only reference to the number of FTEs or hours to be performed for each labor category was in Federated's price quote, which set forth pricing for 24 FTEs. Thus, while the protester contends that its total proposed price should have been assessed as \$9,534,934.80, the FBI could not have derived that figure from Federated's price quote without making

---

<sup>3</sup> Even assuming the necessary information could have been discerned from the protester's technical or management volumes, the FBI was not required to piece together disparate parts of Federated's quote to determine the protester's intent. Rather, it was Federated's responsibility to submit an adequately written price quote. See Paraclete Contracts, B-299883, Sept. 11, 2007, 2007 CPD ¶ 153 at 4.

assumptions about the number of FTEs and hours the protester was proposing. Given the protester's failure to provide in its price quote information required by the solicitation, we cannot conclude that the agency's evaluation of the protester's price was unreasonable.<sup>4</sup> A vendor bears the burden of submitting an adequately written quote that contains all of the information required under a solicitation, including required pricing. Battelle Mem'l Inst., B-299533, May 14, 2007, 2007 CPD ¶ 94 at 3.

#### Evaluation of Non-Price Factors

Next, Federated argues that the FBI used an unstated evaluation criterion under the technical capabilities factor when it found that Federated's proposed design engineer and network support engineer lacked experience with TACLANE network encryption. Protest at 9. In this regard, the protester primarily contends that the solicitation did not identify TACLANE network encryption as a "key component" of the FBI's IT network. Id. This argument is without merit.

Although the solicitation did not describe TACLANE network encryption as a "key component," experience with TACLANE network encryption was clearly required under the solicitation. Under the technical capabilities factor, the solicitation provided that the resumes of proposed personnel "must demonstrate the required skill levels to successfully perform the tasks set forth in this solicitation." RFQ, Amendment 2 at 5. With regard to the network support engineer position, the solicitation specifically provided that the network support engineering effort was to include engineering support, system test integration, installation, troubleshooting, and maintenance of TACLANE encryption devices. RFQ at 9-10. As such, experience with these devices was directly related to the work to be performed by the network support engineer.

---

<sup>4</sup> Also without merit is Federated's contention that the FBI knew the protester proposed 12 individuals. Federated argues that the agency would not have evaluated its quote as green/acceptable under the technical capabilities and management approach factors if the agency had believed the protester had proposed twice the number of individuals the agency had estimated were required. Protester's Comments at 2-4. Even assuming that its technical and management volumes were evaluated as proposing 12 individuals, as discussed above, the agency ultimately concluded, based on information in the protester's price quote, that the protester proposed 24 FTEs. AR, Exh. 15, Source Selection Decision at 2, 30. Given the apparent disconnect in the protester's quote, we cannot find that the agency's evaluation was unreasonable. IBM Corp., B-299504, B-299504.2, June 4, 2007, 2008 CPD ¶ 64 at 21 (denying the protester's argument that agency "should have relied on the more favorable of the two possible interpretations" of its proposal where there was inconsistency between its technical and price/cost volumes).

With regard to the network design engineer, this position was designated in the solicitation as “the Team Lead of less experienced network engineers and deployment technicians.” Id. at 13. As noted above, the network support engineer’s responsibilities included working with TACLANE network encryption devices. Id. at 9-10. The same was true of the network deployment engineer. Id. at 16. Further, the network design engineer was responsible for designing proposals for FBI’s IT networks and the solicitation made clear that TACLANE network encryption was a required component of those networks. Id. at 10, 13, 16. Given that the network design engineer’s oversight and design responsibilities necessarily involved working with TACLANE network encryption, the agency reasonably considered experience with these devices to be necessary for the position. See Harris Corp., B-409869, Sept. 4, 2014, 2014 CPD ¶ 265 at 7 (“In evaluating proposals, an agency properly may take into account specific, albeit not expressly identified, matters that are logically encompassed by, or related to, the stated evaluation criteria.”).

Alternatively, Federated argues that its proposed network design engineer and network support engineer in fact possessed the required experience with TACLANE network encryption and that such experience was “rudimentary” in comparison to the extensive experience of its proposed personnel. Protest at 9-10. The resumes Federated provided for its proposed network design engineer and network support engineer, however, did not reference any experience with TACLANE network encryption. AR, Exh. 3, Federated Technical Quote at 28-32. Agencies are not required to infer information from an inadequately detailed quote or information that the protester elected not to provide. See, e.g., Leach Mgmt. Consulting Corp., B-292493.2, Oct. 3, 2003, 2003 CPD ¶ 175 at 5 (denying the protester’s argument that its experience should have been apparent and that it related to other activities the protester identified). As such, we find reasonable the FBI’s assessment of weaknesses in these areas of Federated’s quote.

The protester also challenges the agency’s evaluation finding that its two proposed cabling installation technicians had insufficient experience, arguing that the resumes submitted for these positions specifically identified cabling experience. Protest at 9-10. While the resumes submitted by the protester for these positions demonstrated some cabling installation experience, the resumes also support the agency’s determination that such work had not been a primary responsibility of these individuals. AR, Exh. 3, Federated Technical Quote at 41-44. Moreover, the resume of one of the proposed technicians did not reflect the agency’s minimum requirement of 7 years of cabling experience. Id. at 43-44. As such, the agency reasonably concluded that the proposed individuals lacked “in-depth, current experience in cable management systems installation.” AR, Exh. 8, Federated Technical Capabilities Consensus Evaluation at 4-5.

Next, Federated asserts that based on the definitions of the ratings set forth in the solicitation, its quote warranted a rating of blue/exceptional under the management



approach factor, rather than the green/acceptable rating the agency assigned. Protest at 10. Under the RFQ, a rating of blue/exceptional was defined as follows: "Quotation exceeds requirements and indicates an exceptional approach and understanding of the requirements. Risk of unsuccessful performance is very low. Strengths far outweigh any weaknesses." RFQ at 38. By contrast, a rating of green/acceptable was defined as follows: "Quotation meets requirements and indicates an adequate approach and understanding of the requirements. Risk of unsuccessful performance is no worse than moderate. No deficiencies noted and strengths outbalance any significant weaknesses or weaknesses that exist." Id. The protester argues that because its quote was evaluated as having several strengths, no deficiencies or weaknesses, and a very low risk of unsuccessful performance, it should have received a rating of blue/exceptional.

The evaluation record, however, reflects that the agency did not find Federated's quote to have presented an exceptional management approach or exceeded requirements to such an extent that it merited a rating higher than green/acceptable. AR, Exh. 10, Federated Management Approach Consensus Evaluation at 1-3. To the contrary, while some strengths are identified, most of the narrative in the evaluation documents reflects the agency's conclusion that Federated's management approach volume simply met the FBI's requirements, rather than exceeded them, which is consistent with a rating of green/acceptable. Id. Thus, while the protester's quote may have exceeded the minimum thresholds necessary to receive a rating of green/acceptable under the management approach factor, we have no basis to question the FBI's determination that it did not warrant a rating of blue/exceptional. Rather, Federated's challenge in this regard amounts to little more than mere disagreement with the agency's exercise of discretion in the evaluation of the protester's quote. See Ross Technologies, Inc., Dec. 7, 2011, 2012 CPD ¶ 9 at 2 ("A protester's mere disagreement with the agency's judgment in its evaluation does not establish that the evaluation was unreasonable.").

Finally, Federated contends that the FBI unreasonably found Qbase's quote offered more qualified personnel than the protester's quote. Protest at 11. Federated contends that the FBI's conclusion in this regard is contradicted by the agency's finding of strengths in the protester's quote regarding its ability to adequately staff the contract at the start of performance, its employment offer acceptance rate, and its ability to provide staffing for surge support. Id. The protester's argument is misplaced, however, since these strengths do not address the qualifications or experience of its proposed personnel, but rather were identified in the agency's evaluation of its quote under the management approach factor. As discussed above, the qualifications of vendors' proposed personnel were evaluated under the

technical capabilities factor, and the agency reasonably found that the protester's quote contained numerous weaknesses regarding the personnel it proposed.<sup>5</sup>

The protest is denied.

Susan A. Poling  
General Counsel

---

<sup>5</sup> To the extent Federated argues that the awardee should have received a lower rating under the technical capabilities factor because of a lack of experience with TACLANE network encryption, the protester is not an interested party to raise this ground of protest. Even if Qbase's quote had received a lower rating under the technical capabilities factor, the protester's quote remains substantially higher priced than Qbase's quote, which also received a blue/exceptional rating under the management approach factor. Likewise, Federated's price is substantially higher than two other vendors that received the same ratings as the protester. Given the magnitude of the difference in price between Federated and these higher- or equally-rated vendors, we fail to see any reasonable possibility that the protester's quote would have been selected for award if Qbase's technical capabilities evaluation were lowered. See Eastern Colorado Builders, Inc., B-291332, Dec. 19, 2002, 2003 CPD ¶ 17 at 3 (finding that the protester was not an interested party to challenge the awardee's past performance rating where agency used a past performance/price tradeoff evaluation scheme and another vendor had a higher past performance rating and a lower price than the protester). For the same reasons, Federated cannot demonstrate that it was prejudiced by this alleged evaluation error, since Qbase and the two other vendors would have remained in-line for award ahead of the protester. See TMG Constr. Corp., B-407190, Nov. 19, 2012, 2012 CPD ¶ 343 at 5 (competitive prejudice is an essential element of a viable protest, and where the protester fails to demonstrate prejudice, our Office will not sustain a protest).