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Comptroller General  
of the United States

United States Government Accountability Office  
Washington, DC 20548

## Decision

**Matter of:** People, Technology and Processes, LLC

**File:** B-410898.7

**Date:** March 3, 2016

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Victor Buonamia for the protester.

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### DIGEST

Protest challenging agency's evaluation of sample tasks using model answers that were not disclosed to offerors is denied where the record shows that the evaluation was reasonable and consistent with the solicitation.

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### DECISION

People, Technology and Processes, LLC (PTP), a service-disabled veteran-owned small business (SDVOSB) located in Lakeland, Florida, protests the exclusion of its proposal from the competitive range under request for proposals (RFP) No. VA118-15-R-0558, issued by the Department of Veterans Affairs (VA) for information technology (IT) services.<sup>1</sup> The protester contends that the agency's evaluation was based on unstated evaluation criteria.

We deny the protest.

### BACKGROUND

The RFP, issued on November 19, 2014, anticipated the award of up to 20 indefinite-delivery/indefinite-quantity (IDIQ) contracts, each with a 5-year base

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<sup>1</sup> The procurement at issue is commonly referred to as the Transformation Twenty-One Total Technology Next Generation procurement, or T4NG. Contracting Officer's (CO's) Statement at 1.

period and one, 5-year option period.<sup>2</sup> CO's Statement at 1. The solicitation provided that task orders under the awarded contracts would be issued on fixed-price, time-and-materials, and cost-reimbursement bases, and established a maximum total value for all orders of \$22.3 billion for the base and option period. RFP at 4-11. The solicitation sought IT services encompassing the entire range of IT requirements for the VA. Performance Work Statement (PWS) at 16.

The RFP established that award would be made on a best-value basis considering price and the following five non-price evaluation factors: (1) technical;<sup>3</sup> (2) past performance;<sup>4</sup> (3) veterans involvement;<sup>5</sup> (4) veterans employment;<sup>6</sup> and (5) small business participation commitment (SBPC).<sup>7</sup> RFP at 120-21. The technical factor was further divided into two subfactors, sample tasks and management. Id. at 121.

For the purpose of making the best-value award decisions, the RFP established the relative importance of the various factors and subfactors. Id. at 120. In this regard, the technical factor was significantly more important than past performance, which was slightly more important than veterans involvement, which was slightly more

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<sup>2</sup> Of the 20 anticipated awards, the RFP reserved 4 awards for SDVOSBs, 4 additional awards for SDVOSBs or Veteran Owned Small Businesses (VOSBs), and 4 awards for small business generally. RFP at 120-21. Large businesses were eligible to compete for eight unreserved awards, although the solicitation provided that the VA may make additional unreserved awards if the agency determined it to be in the best interest of the government. Id.

<sup>3</sup> For the overall technical factor (and related subfactors), the VA rated proposals as outstanding, good, acceptable, susceptible of being made acceptable, or unacceptable. Agency Report (AR), Tab 8, PTP Debriefing, at 17.

<sup>4</sup> For the past performance factor, the agency rated proposals as low risk, moderate risk, high risk, or unknown risk. Email from VA to GAO, March 1, 2016.

<sup>5</sup> For the veterans involvement factor, the agency assigned ratings of full credit, partial credit, some credit, or no credit. AR, Tab 8, PTP Debriefing, at 30. In accordance with VA Acquisition Regulation § 852.215-70, only SDVOSBs could receive a rating of full credit and only VOSBs could receive a rating of partial credit. RFP at 110.

<sup>6</sup> Under the veterans employment factor, the RFP established that the agency would evaluate the extent to which offerors employed veterans. Id. at 123. Accordingly, the RFP instructed offerors to identify the percentage of their workforce that was comprised of veterans, as well as the total number of veterans employed at the time of proposal submission. Id. at 115-16.

<sup>7</sup> For the SBPC factor, the agency rated proposals as outstanding, good, acceptable, susceptible of being made acceptable, or unacceptable. AR, Tab 8, PTP Debriefing, at 39.

important than veterans employment, which was slightly more important than SBPC, which was slightly more important than price. Id. Thus, price was the least important factor. Under the most important factor, technical, the RFP indicated that the sample tasks subfactor was more important than the management subfactor. Id.

Regarding the sample tasks subfactor, the RFP directed offerors to describe their approach to performing three hypothetical tasks. Id. at 113. Sample task 1 was predicated on the VA having acquired a common cloud computing environment for use across the agency. RFP, Attach. 16, Sample Tasks. Under sample task 1, the contractor was required to support the migration of 17 IT applications from their current environments to the cloud environment. Id. In responding to sample task 1, the RFP directed offerors to describe their “approach for executing all migration efforts required” for the task and their “approach for providing sustainment services” so as to “ensure that the applications operate and perform as required in the new cloud environment.” Id. The RFP further instructed offerors to identify the labor categories that they would use to perform the sample task. Id.

Sample task 2 involved identifying and analyzing modernization efforts for the VA’s Veterans Health Information Systems and Technology Architecture (VistA).<sup>8</sup> Id. In responding to sample task 2, the RFP directed offerors to “[d]escribe the key requirements and technical approaches [they] would consider to implement a program to modernize VistA” and to identify the labor categories they would use to perform this task. Id.

The subject of sample task 3 was the expansion and enhancement of telehealth capabilities across the VA’s medical centers and outpatient clinics. Id. For sample task 3, the RFP directed offerors to describe their approach to executing all of the tasks necessary to design, acquire, install, test, deploy, and maintain an expanded and enhanced enterprise-wide telehealth capability, and to identify the labor categories they would use to perform this task. Id.

With regard to the evaluation of offerors’ sample task responses, the RFP provided that the tasks were designed to “test” offerors’ “expertise and innovative capabilities” with respect to the types of work required by the solicitation. RFP at 121. The RFP informed offerors that they would not be given an opportunity during discussions to correct or revise their sample task responses. Id. The RFP

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<sup>8</sup> VistA is a VA IT system that is deployed throughout the VA healthcare system and is comprised of approximately 200 applications and modules. See VistA Monograph, 11-14 (Oct. 13, 2013), [http://www.ehealth.va.gov/docs/VistA\\_Monograph.pdf](http://www.ehealth.va.gov/docs/VistA_Monograph.pdf). VistA includes integrated electronic health records for VA patients and administrative tools for day-to-day VA operations. See <http://www.ehealth.va.gov/vista.asp> (last visited March 1, 2016).

further provided that the agency would evaluate the sample task responses to assess offerors' understanding of the "problems" associated with performing the tasks and the feasibility of their approaches to addressing the tasks. Id. at 121-22.

As to assessing offerors' understanding of the problems presented by the sample tasks, the solicitation provided that the VA would evaluate the extent to which an offeror's proposal "demonstrates a clear understanding of all features involved in solving the problems and meeting the requirements presented by the sample task" as well as "the extent to which uncertainties are identified and resolutions proposed." Id. at 121.

With regard to feasibility of approach, the RFP provided that the agency would evaluate whether an offeror's proposed "methods and approach to meeting the sample task requirements provided the Government with a high level of confidence of successful completion." Id. The solicitation also indicated that the VA would evaluate the realism of the labor categories proposed to perform the sample tasks. Id.

Under the management subfactor, offerors were to address: (1) how the T4NG PWS requirements would be accomplished by the offeror and its subcontractors; (2) a proposed management approach to ensure development of a quality assurance system and processes to capture performance and contract metrics; (3) a proposed approach to recognize, react to, and correct problems, which may arise in the performance of a task order; (4) a proposed approach to effectively forecast and control costs; and (5) how the offeror would attract and retain its workforce. Id. at 114. In evaluating offerors' responses, similar to the sample tasks subfactor, the RFP provided that the agency would evaluate the extent to which offerors demonstrated an understanding of the problems and the feasibility of their approaches. Id. at 122.

PTP timely submitted its proposal on December 19, 2014. CO's Statement at 2. The results of the agency's evaluation of the protester's proposal are as follows:

	<b>PTP Evaluation</b>
<b>Overall Technical</b>	Acceptable
<b>Technical--Overall Sample Tasks Subfactor</b>	Acceptable
Sample Task 1 (Cloud Migration)	Acceptable
Sample Task 2 (VistA Modernization)	Acceptable
Sample Task 3 (Telehealth Expansion)	Unacceptable
<b>Technical--Management Subfactor</b>	Acceptable
<b>Past Performance</b>	Unknown Risk
<b>Veterans Involvement</b>	Full Credit
<b>Veterans Employment</b> (total number of veterans; percentage of workforce comprised of veterans)	36 veterans; 80 percent
<b>Small Business Participation Commitment</b>	Good
<b>Total Evaluated Price<sup>9</sup></b>	\$14,802,556,515

AR, Tab 8, PTP Debriefing, at 46.

To facilitate its evaluation of the sample tasks, VA technical experts developed a model for each sample task prior to the receipt of proposals. AR, Tab 11, PTP Sample Task Evaluation, at 1-3. The model identified key focus areas and lower-level sub-areas that, in the agency's view, an offeror would need to address to demonstrate its understanding of the challenges associated with the task orders and the feasibility of its approach to performing the task orders. Id.

With respect to sample task 1, the agency's technical experts identified the following five key focus areas: (1) project management; (2) migration analysis; (3) applications migration; (4) system cutover; and (5) operations and sustainment. Id. at 1-2. Under each of the five key focus areas, the agency identified various sub-areas. Id. For example, under the operations and sustainment focus area, the VA identified four sub-areas (approach for monitoring and reporting processes, help desk and incident response, methods for performance management to keep systems optimized, and methods for change and configuration management). Id. at 2.

<sup>9</sup> Although not at issue in this protest, an offeror's total evaluated price (TEP) was derived by summing the offeror's total labor costs, total materials/other direct costs, and total travel costs, for the base period and five-year option period. RFP at 124. Offerors' total labor costs were calculated by multiplying their blended labor rates by the agency-provided corresponding level of effort. Id.

Similarly, with respect to sample task 2, the VA identified five key focus areas: (1) implementing a program managerial structure; (2) implementing key program processes; (3) understanding of key requirements; (4) understanding of VistA legacy knowledge; and (5) a technical approach to implement a VistA modernization program. Id. For each key focus area, the agency identified various sub-areas. Id. For example, under the key focus area of implementing a program managerial structure, the VA identified three sub-areas (coordination of existing VistA modernization efforts, implementing a program structure, and understanding proper governance). Id.

As to sample task 3, the agency identified six key focus areas: (1) project management; (2) network/telehealth analysis; (3) network/telehealth design; (4) security; (5) deployment; and (6) maintenance. Id. As with the other sample tasks, the VA identified sub-areas under each key focus area. Id. For example, for the key focus area of security, the agency identified three sub-areas (network security and information assurance, methods to manage and handle protected health information/personally identifiable information, and data protection). Id.

According to the VA, the agency rated an offeror's sample task responses based on the extent to which the offeror addressed the key focus areas and sub-areas. CO's Statement at 5, 8-9. Where a sample task response provided a greater level of relevant detail addressing the various sub-areas, the agency assessed the response as having a more thorough understanding of the challenges associated with performance of the task order and a more feasible approach. Id. at 8-9. After assessing the extent to which an offeror's sample task response addressed the sub-areas, the agency assigned any strengths, weaknesses, or deficiencies at the key focus area level. Id.

The VA rated PTP's response to sample task 1 as acceptable overall, assessing it with weaknesses under the key focus areas of project management and system cutover and with a significant weakness under the focus area of applications migration. AR, Tab 11, PTP Sample Task Evaluation, at 5-7. In this regard, the VA found that the protester's sample task 1 response provided insufficient detail with respect to several of the sub-areas under these key focus areas. Id.

For example, for the management activities sub-area under the key focus area of project management, the agency found that PTP's sample task 1 response lacked detail on the role of PTP's project manager, on the protester's participation in integrated project team meetings, and on activities for tracking and reporting task order cost, schedule, and performance using project metrics. Id. at 5. In the VA's view, the protester's failure to address these management activities in sufficient detail increased the risk that mature management processes that were crucial to the cloud migration task would not be in place. Id. Based on these findings, and the VA's determination that PTP's proposal also provided insufficient detail with respect

to the sub-areas of schedule and labor categories, the agency assigned a weakness to the key focus area of project management. Id. at 5-6.

Regarding sample task 2, the agency rated PTP's response as acceptable, assigning strengths to the focus areas of implementing program processes, key requirements, and understanding of legacy VistA, but also assigning weaknesses to the focus areas of implementing a program managerial structure and technical approach to implement a VistA modernization program. Id. at 8-12. Similar to sample task 1, the VA assigned these weaknesses based on the agency's conclusion that PTP's sample task 2 response provided minimal detail with respect to several of the sub-areas underlying these focus areas. Id. at 10-11.

Under sample task 3, the VA rated the protester's response as unacceptable, assessing a strength in the network telehealth analysis focus area, a weakness in the project management focus area, and significant weaknesses in the security and maintenance focus areas. Id. at 13-16. As to the project management focus area, the agency found that PTP's sample task response did not adequately address three of the four sub-areas under this key focus area (management activities, project management accountability system, and stakeholders). Id. at 13-14. The two significant weaknesses resulted from the VA's finding that the protester's proposal failed to provide sufficient detail with respect to all of the sub-areas under the key focus areas of security and maintenance. Id. at 14-16.

Following a debriefing, PTP filed an agency-level protest on September 25, 2015, challenging its exclusion from the competitive range. CO's Statement at 2. On November 17, the VA denied that protest, and PTP timely filed the instant protest with this Office on November 25, 2015. Protest at 1.

## DISCUSSION

PTP contends that the VA's sample task models constituted undisclosed minimum requirements that the agency mechanically applied to the exclusion of other potential solutions. Protest at 10-12. In particular, the protester challenges the agency's consideration of project management in evaluating the sample tasks, as PTP contends that the solicitation provided no indication that management-related issues would be evaluated outside of the management subfactor. Id. at 11-18. For the reasons discussed below, we deny the protest.

The evaluation of proposals, including the determination of the relative merits of proposals, is primarily a matter within the contracting agency's discretion, since the agency is responsible for defining its needs and the best method of accommodating them. Highmark Medicare Servs., Inc., et al., B-401062.5 et al., Oct. 29, 2010, 2010 CPD ¶ 285 at 12. In reviewing an agency's evaluation, we will not reevaluate the proposals, but we will examine the record of the evaluation to ensure that it was reasonable and consistent with the stated evaluation criteria as well as with

procurement statutes and regulations. Integrated Sci. Sols., Inc., B-406987, B-406987.2, Oct. 10, 2012, 2012 CPD ¶ 290 at 9. As a general matter, when 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. Open Sys. Science of Virginia, Inc., B-410572, B-410572.2, Jan. 14, 2015, 2015 CPD ¶ 37 at 11.

Here, the record reflects that the key focus areas and sub-areas that comprised the agency's sample task "models" were in fact relatively high-level topics and issues that the VA determined should be addressed as part of an offeror's sample task responses. AR, Tab 11, PTP Sample Task Evaluation, at 1-3. Accordingly, we agree with the agency, which contends that the key focus areas and sub-areas were broad enough to allow offerors to propose a variety of solutions, and did not, as PTP contends, represent minimum government requirements. Moreover, PTP has furnished no basis for us to conclude that the key focus areas identified in the VA's sample task models, such as applications migration and operations and sustainment, or the underlying sub-areas, such as disaster recovery and help desk and incident response, were not reasonably related to performing the sample tasks. See DSS Healthcare Sols., LLC, B-403713.3, June 22, 2011, 2011 CPD ¶ 147 at 2-4 (denying protest challenging VA's use of similar evaluation scheme, where protester failed to show that key focus areas and lower-level sub-areas were not reasonably related to performing the sample tasks); MicroTechnologies, LLC, B-403713.6, June 9, 2011, 2012 CPD ¶ 131 at 2-4.

In reaching this conclusion, we reject the protester's assertion that the RFP provided no indication that the VA would consider issues related to project management when evaluating the sample task responses. As noted above, the sample task evaluation criteria provided that offerors' sample task responses were to demonstrate their understanding "of all features involved in solving the problems and meeting the requirements presented by the" tasks as well as the feasibility of offerors' "methods and approach to meeting the sample task requirements." RFP at 122 (emphasis added). Thus, contrary to the protester's claims, the sample task evaluation criteria were not focused exclusively on offerors' technical approaches to performing the sample tasks. Rather, the evaluation criteria reasonably encompassed all of the aspects of an offeror's approach that were relevant to performing the tasks.

In this regard, the VA contends that all three sample tasks involved large, complex projects for which project management was a critical aspect of successful performance. CO's Statement at 11. Notably, the protester does not dispute the agency's assertion that project management was an integral part of meeting the sample task requirements. Given the scope of the sample task evaluation criteria and of the sample tasks themselves, we find that the VA reasonably expected offerors' to address how they would manage the projects at issue in those tasks. See DSS Healthcare Sols., LLC, supra, at 3-4 (denying protest that key focus



areas, including project management, were not reasonably related to evaluation criteria, where solicitation directed offerors to describe how they would perform all of the tasks necessary to perform the sample task).

We likewise find no merit to PTP's contention that the solicitation actually prohibited offerors from addressing project management in their sample task responses. Protest at 11. Although PTP is correct that the RFP directed offerors to address the sample tasks and the management subfactor in separate proposal files and provided that "[a]ll information shall be confined to the appropriate file," this instruction simply did not, as the protester claims, restrict offerors from addressing management issues as they specifically related to the sample tasks. RFP at 112.

Similarly, the record does not support the protester's contention that the VA exaggerated the importance of management beyond what the solicitation anticipated by considering management-related issues under both technical subfactors. In this regard, the record reflects that the VA's evaluation of the management subfactor was focused on an offeror's management approach as it pertained to the contract as a whole and to task order management generally. RFP at 113-14, 122. By contrast, the agency's sample task evaluation focused on the extent to which an offeror addressed the management-related tasks that the VA considered necessary to successfully perform the task requirements. AR, Tab 11, PTP Sample Task Evaluation, at 1-3; CO's Statement at 5, 8-9. The agency's sample task evaluation thus considered project management issues that were distinctly different from the agency's evaluation under the management subfactor. Based on this record, we find that the agency's consideration of management under both technical subfactors was reasonable and consistent with the solicitation.

The protest is denied.

Susan A. Poling  
General Counsel