G A O
Accountability * Integrity * Reliability

Comptroller General
of the United States

United States General Accounting Office
Washington, DC 20548

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

Decision

Matter of: Planned Systems International, Inc.

File: B-292319.3; B-292319.4; B-292319.5

Date: October 30, 2003

Jonathan D. Shaffer, Esq., Smith, Pachter, McWhorter & Allen, for the protester.
Robert K. Tompkins, Esq., and Dean M. Dilley, Esq., Patton Boggs, for Advanced Management Technology, Inc., an intervenor.
David T. Troung, Esq., National Science Foundation, for the agency.
Mary G. Curcio, Esq., and John M. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Agency reasonably determined that awardee was eligible for award where solicitation required that vendors be included on a particular Federal Supply Schedule, and awardee at one time was included on that schedule but subsequently was listed instead on a single, consolidated corporate schedule that included services under several schedules, including the specified schedule.

2. Protest that agency improperly evaluated protester's quotation is denied where record shows that agency reasonably determined that the quotation, among other things, did not demonstrate a full understanding of the solicitation requirements or offer a fully qualified project manager.

3. Selection of higher-rated, higher-priced quotation was not improper where solicitation provided that price was less important than technical factors, and agency reasonably concluded that the technical advantages of awardee's quotation outweighed protester's price advantage.

DECISION

Planned Systems International, Inc. (PSI) protests the award of a delivery order to Advanced Management Technology, Inc. (AMTI) under request for quotations (RFQ) No. DACS-03-0032, issued by the National Science Foundation (NSF) for information technology (IT) services. PSI complains that AMTI is not eligible for award and that NSF improperly evaluated the two firms' quotations.

We deny the protest.

Currently, NSF has a computer system known as FastLane that allows the agency to communicate through the Internet with those who receive funds from the agency for research and education projects. The agency also has an internal IT help desk that provides staff members with desktop and related support services. The RFQ here, for Information Technology Help Central Services (ITHCS), was issued to integrate these two systems into one IT service.

NSF conducted the procurement using the General Services Administration (GSA) Federal Supply Schedule (FSS), and limited the competition to five small businesses that held a contract under Schedule 70, Special Item Number (SIN) 132-51. The RFQ provided for award on a "best value" basis based on an evaluation of technical, past performance and price, which consisted of fixed labor rates and a fixed price for a phase-in period. The technical factors were: management approach (with management plan, phase-in plan, and continuing management plan subfactors); program manager and key personnel; and relevant experience/corporate qualifications. The technical and past performance factors together were significantly more important than price. The agency intended to award the contract without holding discussions, although clarifications were contemplated.

Following review of the quotations, including information submitted in response to clarification requests,[1] PSI's and AMTI's submissions were rated good and excellent, respectively, under the technical factor and excellent for past performance. NSF also conducted a risk assessment for integration, ITHCS service performance, and FastLane support; PSI received ratings of medium/high, very high/high, and very low, compared to AMTI's ratings of low, low/medium, and low.[2] AMTI and PSI quoted prices of $14,691,354 and [DELETED], respectively. NSF determined that AMTI's technical advantages outweighed PSI's lower price, and thus selected AMTI for award.

---

[1] PSI protests that, in evaluating quotations, NSF did not consider information submitted in response to clarification requests. NSF disputes this, asserting that evaluations were completed after clarification responses were submitted, and all information was considered. PSI has not demonstrated that clarification responses were not considered; for example, it has not pointed to any specific information that it believes was ignored. There thus is no basis for questioning the evaluation in this regard.

[2] PSI protests that NSF has not adequately documented the risk assessment. This argument is without merit. The risk evaluation record specifically discusses why, based on the evaluation, each quotation presents certain risks. Re-evaluation Summary at 8.

AMTI'S ELIGIBILITY FOR AWARD

PSI protests that AMTI was not eligible for award because it does not hold a contract under Schedule 70, SIN 132-51.

This argument is without merit. NSF explains that Schedule 70 defines the broad scope of services, in this case IT services, and the SIN defines the more specific help desk support services sought here. NSF further explains that, in an attempt to simplify the procurement process, GSA instituted a corporate schedule that permits businesses with multiple FSS contracts to consolidate them into one contract; AMTI did hold a Schedule 70, SIN 132-51 contract, but has included that contract under its consolidated GSA corporate schedule contract. PSI does not dispute that AMTI holds a corporate contract that encompasses the services required or that AMTI previously held a Schedule 70, SIN 132-51 contract, and since the FSS contract and SIN numbers merely defined the services being acquired, there is no basis for finding AMTI ineligible for award. In any case, we fail to see how PSI was competitively prejudiced by the agency's inclusive interpretation. While PSI asserts generally that it made competitive decisions based on its understanding of the field of competition, it has not provided any elaboration as to what those decisions were, or as to how it would have changed its quotation to increase its chances of receiving the award. See SWR, Inc., B-284075, B-284075.2, Feb. 16, 2000, 2000 CPD ¶ 43 at 3.

TECHNICAL EVALUATION

PSI's good (rather than excellent) rating under the technical factor reflected, in part, the agency's finding that PSI did not demonstrate a clear understanding of the requirement or how it would integrate the help desks; identified an unqualified program manager and a weak phase-in plan; and provided relevant experience that did not demonstrate the depth and breadth of corporate resources required under the RFQ. PSI challenges each of these evaluation conclusions.

In reviewing a protest against a procuring agency's evaluation, our role is limited to ensuring that the evaluation was reasonable and consistent with the terms of the solicitation and applicable procurement laws and regulations. National Toxicology Labs., Inc., B-281074.2, Jan. 11, 1999, 99-1 CPD ¶ 5 at 3. We have reviewed the record here and find all of PSI's arguments to be without merit.[3] We discuss PSI's primary arguments below.

---

[3] In its initial protest, PSI challenged the agency's conclusion that PSI did not have the required depth and breadth of experience, arguing that experience was not an evaluation factor. PSI specifically stated, "Had PSI known that 'relevant experience' was an evaluation criteria . . . it would have provided comprehensive information relative to this topic." Protest at 14. In its report comments responding to the position NSF presented in its report, PSI changed its argument to claim that it in fact (continued...)

HELP DESK INTEGRATION APPROACH/
UNDERSTANDING THE REQUIREMENT

Under the management plan subfactor, vendors were to "[d]escribe and identify [their] approach to integrate and perform the total work scope as a single consolidated technical effort." RFQ at 3. NSF found that PSI described how the work would be performed after the help desks were integrated, but did not adequately explain how it planned to integrate the desks. This deficiency also led NSF to question whether PSI understood the requirement.

PSI maintains that its quotation did in fact fully describe how it would organize, staff and integrate its help desk team. For example, PSI asserts that it addressed integration by proposing [DELETED]. PSI further notes that it provided a detailed integrated workflow diagram illustrating how it would integrate both functions.

PSI's argument is without merit. The information cited by PSI is the information NSF identified as describing how the work would be performed after the desks were integrated; this information contributed positively to PSI's good rating. PSI's argument does not address the information the agency found was lacking: a discussion of the steps that PSI would take to convert the two current help desks, which are supported by two different contractors, into one integrated desk. For example, the agency states it was looking for a discussion of issues related to disruption of service, customer outreach, standardization across networks, and maintaining the incumbent workforce. Supplemental Agency Report at 4-5. Since these considerations, on their face, clearly relate to the agency's concerns regarding integration of the help desks, and PSI has not shown otherwise, we find nothing unreasonable in the agency's evaluation in this area.

(...continued)
had sufficiently addressed experience. Protest Comments at 16-17. Protest arguments such as this must be raised no later than 10 days after the basis for the argument was or should have been known. 4 C.F.R. § 21.2(a)(2) (2003). On August 1, 2003, when PSI filed its initial protest, it was aware that the agency had found its quotation lacking in depth and breadth with respect to experience. If PSI believed that this assessment was incorrect, it should have protested on this basis at that time, rather than concede, essentially, that it had not presented "comprehensive information." We conclude that this aspect of the protest is untimely.

PROGRAM MANAGER

The RFQ required vendors to provide, in résumé format, the program manager's (PM) work experience, education, and related experience. In addition, appendix 4 of the statement of work (SOW) provided that the PM must have 15 years of technical experience, with at least 8 years as a manager, and described the PM's duties as including, among other things, exercising control over all aspects of the delivery order performance, deliverables, schedules, and cost, and maintaining an adequate staffing level and skill mix.

PSI identified its current FastLane manager for the PM position. NSF found that the résumé provided did not show that this individual was well qualified to be the PM for the more complex integrated support services function. Specifically, the agency found that the résumé did not show that the individual had experience with typical project management activities, such as budgeting, forecasting, resource allocation, planning, or integrating services across multiple functional areas.

PSI disputes NSF's conclusions, noting that the project management activities (such as budgeting and resource allocation) cited by the agency, were not listed in the RFQ as minimum PM qualifications. PSI asserts that, in any case, the résumé provided for the PM lists projects of similar complexity under which the PM was responsible for budgeting, forecasting, resource allocation, and integration efforts.

The evaluation was reasonable. While the RFQ did not list activities such as budgeting and resource allocation as minimum qualifications for the PM, it did specify them as PM responsibilities. SOW, Appendix 4. Thus, NSF could properly consider them in evaluating the PM's experience. See Resource Applications, Inc., B-271079, B-271079.2, May 20, 1996, 96-1 CPD ¶ 244 at 6. Further, insofar as PSI argues that the proposed PM did perform such activities under prior contracts, this was not evident from her résumé; contracting agencies are not responsible for evaluating information that is not included in a quotation. See General Sec. Servs. Corp., B-280388, B-280388.2, Sept. 25, 1998, 99-1 CPD ¶ 49 at 4 n. 3.

BEST VALUE DETERMINATION

PSI argues that the award was improper because AMTI's higher price cannot be justified even if AMTI's quotation was properly rated superior to PSI's.

Our review of an agency's price/technical tradeoff decision is limited to a determination of whether it was reasonable and consistent with the evaluation criteria enunciated by the solicitation. Construction Tech. Labs., Inc., B-281836, Apr. 12, 1999, 99-1 CPD ¶ 71 at 11. An agency may select a higher-priced, higher-rated quotation where the decision is consistent with the evaluation criteria and the agency reasonably determines that the superiority of the higher-priced

quotation outweighs the price difference. National Toxicology Labs., Inc., B-281074.2, Jan. 11, 1999, 99-1 CPD ¶ 5 at 7.

The source selection official (SSO) was aware of the price difference between the submissions, and recognized that AMTI's very good rating under the technical factor reflected, among other things, a well thought out approach to integrating and performing the total work scope, a clear understanding of the requirement, and a well-qualified PM. Source Selection Document at 6. The SSO similarly was aware that PSI's inferior rating reflected the failure, among other things, to provide an integrated approach for consolidating the requirements, the lack of a clear understanding of the requirement, and the failure to propose as qualified a project manager. The SSO concluded that AMTI clearly had the best technical submission, and that

> the AMTI strength of consolidation of the scope of work into an integrated effort, more than offset a minor evaluated cost disadvantage. Given the technical findings, including the risk assessment evaluation, the magnitude of change to NSF culture and operations, and the potential for long term efficiency and cost savings, the NSF is better served by potentially spending a little more money now to increase the probability of exceptional results in the future.

PSI argues that the selection is not justified because the evaluation record does not identify any potential for long-term efficiency or cost saving associated with performance by AMTI, and that, as AMTI was not rated excellent under the technical factor, there is no basis to conclude that there is an increased probability of exceptional results from AMTI. These arguments are without merit. We view the agency's conclusions as a reasonable extension of its findings that AMTI's quotation was superior to PSI's in terms of technical considerations and risk; there is nothing unreasonable in an agency's concluding that a higher-rated, lower-risk competitor presents a higher likelihood of exceptional performance, which potentially equates with both greater efficiency and cost savings (e.g., resulting from having the work performed correctly the first time). We conclude that NSF's tradeoff decision was reasonable and consistent with the RFQ criteria.

The protest is denied.

Anthony H. Gamboa
General Counsel