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United States General Accounting Office
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Decision

Matter of: LaBarge Products, Inc.

File: B-287841; B-287841.2

Date: August 20, 2001

William H. Gammon, Esq., Moore & Van Allen, for the protester.
Vera Meza, Esq., and Elizabeth Burt, Esq., U. S. Army Materiel Command, for the agency.
David A. Ashen, Esq., and John M. Melody, Esq., Office of General Counsel, GAO, participated in preparation of the decision.

DIGEST

Agency reasonably excluded from the competitive range as unacceptable proposal with significant informational deficiencies.

DECISION

LaBarge Products, Inc. protests the rejection of its proposal as unacceptable under request for proposals (RFP) No. DAAE07-00-R-T056, issued by the U. S. Army Materiel Command (AMC), U. S. Army Tank-Automotive and Armaments Command, for acquisition of the Advanced Aviation Forward Area Refueling System (AAFARS).

We deny the protest.

The RFP provided for award of an indefinite-delivery/indefinite-quantity (ID/IQ) contract to continue production of the current AAFARS system, based on a revised performance-based purchase description, and furnish up to 375 AAFARS systems (and associated logistics support and training) over a period of 8 years. The AAFARS refueling system consists of a pumping system, filtration system, nozzles, hoses, couplings and ground rods; the system draws fuel from four 500-gallon fuel drums and provides filtered fuel at a rate of 55 gallons per minute (gpm) simultaneously to four nozzles located 100 feet apart. The AAFARS is used to refuel up to four helicopters in tactical locations when the refueling site is inaccessible to ground vehicles or urgency requires rapid air deployment.

Award was to be made to the offeror whose proposal represented the best value to the government. The solicitation provided for proposals to be evaluated under three evaluation areas: (1) capability, including evaluation elements for ability to

meet requirements and experience; (2) cost/price, including evaluation elements for evaluated price and cost realism for the logistics requirements; and (3) past performance/small business participation. Capability was more important than cost/price and past performance/small business participation combined. For each of the evaluation areas, the RFP required offerors to submit detailed, extensive discussions of their proposed approach and qualifications.

[DELETED] offerors submitted proposals, [DELETED] of which--[DELETED]--were included in the competitive range. LaBarge's proposal was rejected on the basis that it "lacks support and elaboration which was required in Section L of the . . . RFP to permit us to evaluate it." AMC Letter to LaBarge, Mar. 26, 2001, at 1. Upon learning of the rejection of its proposal, LaBarge filed an agency-level protest; after that protest was denied, it filed this protest with our Office.

LaBarge acknowledges that it "did not submit the most elaborately formatted proposal," but points to language in solicitation section L.3.1 advising offerors that "[e]laborate format is not desired." Protester Comments, July 17, 2001, at 2. LaBarge generally asserts that it is "essentially offering the same item as [DELETED]." LaBarge Comments, July 5, 2001, at 4. LaBarge concludes that it was unreasonable for the agency to reject its proposal, which offered the low cost to the government, without first conducting discussions with the firm.

An offeror must submit an initial proposal that is adequately written and that establishes its merits, or run the risk of having its proposal rejected as technically unacceptable. Agencies may exclude proposals with significant informational deficiencies from further consideration whether the deficiencies are attributable to omitted or merely inadequate information addressing fundamental factors. Generally, offers that are technically unacceptable as submitted and would require major revisions to become acceptable are not required to be included in the competitive range for discussion purposes. Essex Electro Engineers, Inc., B-284149, B-284149.2, Feb. 28, 2000, 2000 CPD ¶ 72 at 6; Global Eng'g & Constr., Joint Venture, B-275999.4, B-275999.5, Oct. 6, 1997, 97-2 CPD ¶ 125 at 3. The determination of whether a proposal is in the competitive range is principally a matter within the discretion of the procuring agency. Dismas Charities, Inc., B-284754, May 22, 2000, 2000 CPD ¶ 84 at 3. Our Office will review an agency's evaluation of proposals and determination to exclude a proposal from the competitive range for reasonableness and consistency with the criteria and language of the solicitation. SOS Interpreting, Ltd., B-287505, June 12, 2001, 2001 CPD ¶ 104 at 7.

The exclusion of LaBarge's proposal from the competitive range was reasonable. As noted, the RFP required offerors to submit detailed, extensive discussions of their proposed approach and qualifications. Although RFP section L.3.1, cited by the protester, indicated that "[e]laborate format is not desired," that same section also provided as follows:

> The Capability Area part should be specific, detailed, and complete to clearly and fully demonstrate that the offeror has a thorough understanding of all the technical requirements of the effort. The Capability Area part should show how the offeror proposes to comply with the applicable requirements, identify the risk areas involved, and describe proposed solutions . . . . Clarity and completeness are essential. All data required for evaluation of the Capability Area should be included in the part.

Furthermore, with respect to the ability to meet the performance requirements element of the capability area, the RFP specifically required offerors to

> provide a system description containing a narrative describing physical attributes, a list of major components with specifications (such as the manufacturer, model number, size, materials of construction, power requirements, performance ratings, and any other pertinent information), sketches, electrical diagrams (if applicable), instrumentation, location of components for operation, and any other information demonstrating the proposed system's operation and ability to achieve system performance requirements. Offerors should provide detailed information demonstrating the proposed system's flowrate, weight, and setup requirements, and how they achieve the AAFARS performance requirements.

RFP § L.3.1.1.2.

AMC determined that LaBarge's proposal failed to comply with these solicitation requirements. According to the agency, while LaBarge listed major components of its proposed AAFARS and specified some manufacturers' model numbers, it did not furnish detailed information as to the performance and other characteristics of its proposed components, and did not furnish a true system design, such that the agency could verify LaBarge's performance claims.[1] Specifically, with respect to flowrate, the most heavily weighted factor under the ability to meet requirements (in the capability area), the agency determined that LaBarge did not furnish information

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[1] In this regard, we note that the RFP required that proposals be submitted by means of electronic media, and LaBarge included in its proposal hyperlinks to several manufacturers' Internet web sites. While it may be that more information about proposed components was available at those web sites, the RFP specifically prohibited reliance on external information to satisfy the solicitation informational requirements. Specifically, the RFP provided that "[Hypertext Markup Language] documents must not contain active links to live Internet sites or pages. All linked information must be contained within your electronic offer and be accessible offline." RFP § L.18(1)(iii).

sufficient to adequately demonstrate its claimed compliance with the solicitation requirement of 55 gpm at each nozzle simultaneously. Detail Purchase Description AAFARS, ATPD 2294 (Oct. 12, 2000), § 3.3(a); AMC Letter to LaBarge, Mar. 26, 2001, attach. at 1-2. For example, AMC notes, LaBarge did not furnish such necessary information as hose size and configuration/layout, which is a critical factor in flowrate. Agency Report, June 21, 2001, at 11-12; Agency Report, July 27, 2001, at 1, 5-6, 15-16, attach. 3. Likewise, the agency found that while LaBarge generally claimed in its proposal that its system could be set up by four personnel and ready for operation within 20 minutes after unloading, as required by the specifications, Detail Purchase Description AAFARS § 3.3.3.3, LaBarge's support for this claim amounted to little more than its representation that the modules in its system have been configured so that they can be assembled by hand without tools. LaBarge failed to offer a timeline for setup of its system or other detailed information (as required by RFP § L.3.1.1.2) demonstrating compliance with the 20-minute maximum setup time. LaBarge Technical Proposal at 8, 15; see AMC Letter to LaBarge, Mar. 26, 2001, attach. at 3-4; Agency Report, July 27, 2001, at 17. Our review of LaBarge's proposal confirms these informational deficiencies, and LaBarge has not established that they were not significant. We therefore find no basis to question AMC's determination of significant informational deficiencies in the capability area of LaBarge's proposal.

While it may be that LaBarge was proposing essentially the same system as [DELETED], AMC has furnished a detailed comparison of the proposals showing that [DELETED] furnished much more extensive, detailed information concerning their proposed systems and supporting their claims of compliance with the solicitation performance requirements. Agency Report, July 27, 2001, at 7-18, attach. 3. LaBarge has not shown this comparison to be in error. For example, in contrast to LaBarge's failure to demonstrate compliance with the 20-minute setup requirement, [DELETED] described [DELETED]. Although LaBarge correctly asserts that its proposal specified model numbers for more components than [DELETED], the record supports AMC's determination that [DELETED] furnished critical performance information regarding its proposed components that LaBarge failed to provide and, again, included in its proposal much more extensive information regarding the characteristics and performance of its overall proposed system.

LaBarge claims that, notwithstanding the use of performance specifications here, certain of the subassemblies in the AAFARS are de facto sole-source items, thus apparently implying that the agency could assume there would be little difference between its proposed system and the existing system (or the other offerors' systems). However, LaBarge itself acknowledges that its proposal only "implies a set-up similar to the existing AAFARS, but does not specifically state such set-up," and only "impl[ies] connections similar to the existing AAFARS, but do[es] not specifically describe such connection[s]." Protest, exh. 8, Matrix of Components and Their Specifications, at 1-2. Further, LaBarge proposed as its "preferred" power

source a different engine than proposed by [DELETED], or the one reflected in the agency's current technical manual for the AAFARS. LaBarge Technical Proposal at 9; [DELETED].[2]

In any case, again, RFP § L.3.1.1.2 required offerors to describe their proposed system in detail, including "physical attributes" and any other information "demonstrating the proposed system's operation and ability to achieve system performance requirements." We conclude that there was no basis for LaBarge to prepare its proposal based on some expectation that AMC would "fill in the blanks" based on assumptions about its system.

AMC also determined that LaBarge failed to furnish the required detailed information demonstrating relevant corporate and personnel experience and qualifications in the design and manufacturing areas. In this regard, with respect to the experience element of the capability area, the RFP required offerors to provide "detailed information about contracts performed for the Government or commercial entities," and "detailed information about individuals proposed to perform" the contract effort, demonstrating relevant experience and background in designing, manufacturing and performing logistics for systems similar to the proposed system. RFP § L.3.1.2.1.1. LaBarge did not provide the required information with respect to design and manufacturing experience and qualifications. While LaBarge named three key employees in the experience area of its proposal, it included little or no information with respect to any experience and qualifications of the key employees. LaBarge Technical Proposal at 23-24. As for corporate experience, although LaBarge's proposal referred to several contract efforts, including, for example, the Forward Area Refueling Equipment (FARE) system and the United States Marine Corps "Hose Reel System," it did not elaborate on their relevance. LaBarge Technical Proposal at 1, 23-24. While it appears that some of these contract efforts could be relevant, it was LaBarge's responsibility to explain that relevance. Cf. [DELETED].

We conclude that the agency reasonably rejected LaBarge's proposal as unacceptable and excluded it from the competitive range, notwithstanding its lower cost/price.

The protest is denied.

Anthony H. Gamboa
General Counsel

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[2] Although LaBarge noted in its proposal that it was also considering an engine that the record indicates was the one proposed by [DELETED] and specified in the technical manual, again, it identified a different engine as its preferred one. LaBarge Technical Proposal at 9.