



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Engineering and Professional Services, Inc.

File: B-262179

Date: December 6, 1995

Joseph D. West, Esq., and Rosemary Maxwell, Esq., Arnold and Porter, for the protester.

Thomas P. Humphrey, Esq., Devon S. Engel, Esq., and Monica Parham, Esq., Crowell and Moring, for Bell Atlantic Federal Integrated Systems, Inc., an interested party.

Lt. Col. Eugene J. Smith, Roger E. Wilmeth Esq., and D. Randall Kemplin, Esq., Department of the Air Force, for the agency.

Charles W. Morrow, Esq., and James A. Spangenberg, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Agency reasonably determined (under a solicitation's best value evaluation scheme which gave greater weight to the technical area as compared to price) that the numerous specific strengths in the second highest priced proposal (which received the same technical ratings as the protester's lower priced proposal) outweighed the minimal price advantage of, and the significantly fewer strengths in, the protester's proposal; the agency's identification and costing of specific technical discriminators—that is, system features where the offered system exceeded the solicitation requirements or offered desirable features—as a tool in its best value assessment was proper and consistent with the solicitation, which encouraged offerors to identify and describe system specific features exceeding the solicitation requirements.

DECISION

Engineering and Professional Services, Inc., (EPS) protests the award of a contract to Bell Atlantic Federal Integrated Systems under request for proposals (RFP) No. F11624-94-R-0010, issued by the Department of the Air Force for a voice processing system.

We deny the protest.

This RFP was issued by the Air Force on December 20, 1994, to procure voice processing systems (VPS) to support up to 61 Air Force medical treatment facilities. The VPS will automate appointment scheduling, prescription refill requests, and results reporting, as well as provide voice mail, automatic call distribution,

automated attendant, and interactive voice response capabilities. The RFP required the successful contractor to engineer, furnish, install, and test the VPS, including hardware, software, contractor logistics support, training, and technical assistance. The RFP contemplated the award of a fixed-price, indefinite delivery/indefinite quantity contract for a base period of 14 months with eight 1-year option periods.¹

Award under the RFP was to be made based on the proposal considered most advantageous to the government, price and other factors considered. The RFP stated that the technical/management area was more important than price and that "the government [would] select a superior proposal if . . . the additional technical/management merit [was] worth the additional cost in relation to the other proposals received." The total price of each offeror was to be calculated under a present value formula stated in the RFP.

The RFP listed the following technical/management evaluation factors in descending order of importance: equipment specifications, engineering and installation, configurations, installation inspection testing and quality control, program management, and logistics. Each evaluation factor was to be evaluated for soundness of approach and compliance with the requirements. Under the equipment specifications factor, the RFP advised that the offeror's proposed "equipment and its understanding of and capability to meet or exceed all technical requirements" would be evaluated, and that "positive consideration may be given to those offerors who proposed those [desirable feature] capabilities" listed in the RFP.

The RFP proposal preparation instructions cautioned offerors that their proposals should provide convincing rationale as to how the offeror intended to meet the agency's requirements, and that if appropriate information were not included in the designated section it would be assumed to have been omitted. The RFP also included a technical/management response matrix keyed to the equipment performance specifications describing the VPS requirements. Among other things, the matrix required offerors to identify the specific areas where their proposed VPS met or exceeded the mandatory requirements or offered desirable features. Where an offeror exceeded a minimum mandatory requirement, the offeror was required to

¹The contract contemplated that the medical treatment facilities would obtain the VPS as needed over the extended contract period based upon the issuance of individual delivery orders.

submit a detailed explanation.² Among the designated mandatory VPS features was an appointment reminder capability, requiring the VPS to have the capability to call patients to remind them of pending appointments without human intervention.

Four offerors submitted proposals, including Bell Atlantic and EPS. The proposals were evaluated by a source selection evaluation team (SSET), which assigned the technical/management proposals color/adjectival, proposal risk, and performance risk ratings. All proposals were included in the competitive range, discussions conducted, and best and final offers (BAFO) received.

Bell Atlantic's BAFO price was \$21,693,460 and EPS' was \$21,560,906. Both prices were determined to be reasonable and realistic. Although both BAFOs received identical color/adjectival, performance risk, and proposal risk ratings for all of the technical/management factors, the SSET found that Bell Atlantic's BAFO had more technical merit than the other BAFOs, inasmuch as it was rated with the most technical strengths (35) under the technical/management subfactors (as compared to EPS' 14 strengths).³

In order to assist in making the best value determination, the SSET comparatively analyzed the BAFOs against the technical requirements and desirable features stated in the RFP, and identified 44 discriminators where the offerors' BAFOs proposed features that exceeded the minimum mandatory requirements or proposed desirable features and where there was potential for the features to yield significant payoffs to the government. After some analysis, the SSET selected 26 of the 44 discriminators as those with the most significant benefits (qualitative/quantitative) to the government. Of these 26 significant discriminators, the SSET determined that Bell Atlantic's VPS provided potential benefits under 20 discriminators, while EPS' system was determined to have potential benefits under 7 discriminators. The SSET assigned a dollar value representing the cost savings or impact to the government to be derived for those 4 significant discriminators which it found it was able to

²To this effect, the RFP stated that when the proposed item or method exceeded the mandatory requirements, provided a capability identified by the government as desirable, or provided a unique capability not identified by the government, the offeror was to highlight the features of its approach, especially those which will enhance system capability and cost-effective evolution beyond the minimum requirements.

³Under the equipment specifications factor, Bell Atlantic's BAFO was rated with 27 strengths and EPS' BAFO with 11 strengths; under the program management factor Bell Atlantic's BAFO was rated with 6 strengths and EPS' BAFO with 1 strength; and under the logistics factor both Bell Atlantic's and EPS' BAFOs were rated with 2 strengths.

realistically quantify, and normalized these features among the proposals by adding that dollar value to the BAFO prices of those offerors whose systems did not possess the particular feature. For example, in this calculation, EPS' BAFO price was upwardly adjusted by \$272,474, to \$21,833,382, because its VPS did not possess a "robust" appointment reminder capability, as did Bell Atlantic's VPS.⁴ On the other hand, Bell Atlantic's BAFO was upwardly adjusted by \$30,704, to \$21,724,164, because, unlike EPS' VPS, its VPS lacked a 17-inch monitor.

Based on the foregoing evaluations, the source selection authority (SSA) determined that Bell Atlantic's BAFO represented the best value to the government. The SSA adopted and concurred in the SSET's determinations, and found that the particular benefits of Bell Atlantic's BAFO—specifically that it had the most identified strengths as well as the most discriminators with significant benefits, and that its evaluated "best value" price was low normalizing only some of the significant discriminators—"far outweigh[ed]" EPS' BAFO's minimal price advantage. The SSA also noted that Bell Atlantic and its proposed subcontractor possessed the most relevant past performance among the offerors.

EPS essentially protests that the Air Force failed to disclose in the RFP its intention to consider and price discriminators in order to discern a technical/price distinction between offerors' proposals, and that this evaluation methodology was arbitrary and irrational. EPS asserts that, had it known that the agency would focus the evaluation on discrete technical features of the VPS that exceeded the RFP requirements, it would have adopted an approach tailored towards offering extra capabilities. Specifically, EPS asserts that its VPS system did possess a robust appointment reminder capability equivalent to Bell Atlantic's, but that it had no way of knowing that this assertedly standard feature was required to be separately addressed. EPS also contends that its proposal was not credited for certain significant benefits.⁵

Where an award is to be based on the best value to the government, as here, a cost/technical tradeoff may be made in selecting an awardee, subject only to the test of rationality and consistency with the established evaluation factors. Grey Advertising, Inc., 55 Comp. Gen. 1111 (1976), 76-1 CPD ¶ 325; ProServe Corp., B-247948.2; B-247948.3, Oct. 5, 1992, 92-2 CPD ¶ 225.

⁴Since none of the other offerors proposed a robust appointment reminder capability, their prices also were adjusted upward by this same figure.

⁵EPS raised other arguments in its initial protest but did not continue to pursue them in its comments responding to the Air Force's report; we therefore consider these arguments to be abandoned. See D & M Gen. Contracting, Inc., B-259995; B-259995.2, May 8, 1995, 95-1 CPD ¶ 235.

The Air Force's cost/technical tradeoff was consistent with the RFP's proposal preparation instructions and evaluation factors. Bell Atlantic's proposal was considered to possess more technical merit than EPS' based on Bell Atlantic's greater number of technical strengths and significant beneficial discriminators and its most relevant past performance.⁶ Thus, notwithstanding that Bell Atlantic's proposal received the same SSET ratings as EPS', the agency reasonably found that the underlying strengths of Bell Atlantic's proposal "far outweigh[ed]" EPS' minimal price advantage.

The SSET's "best value" analysis identifying and pricing significant discriminators was simply and properly a tool to help assess whether Bell Atlantic's undisputed technical superiority was worth the associated price premium. See Purvis Sys. Inc., 71 Comp. Gen. 203 (1992), 92-1 CPD ¶ 132; DynCorp, B-245289.3, July 30, 1992, 93-1 CPD ¶ 69. This analysis essentially confirmed that Bell Atlantic's proposal had superior features that offset EPS' minimal price advantage. This analysis was in no way inconsistent with the RFP evaluation scheme—to the contrary, since the equipment specifications evaluation factor and the proposal preparation instructions required offerors to submit a matrix detailing where their systems met or exceeded the RFP requirements and desirable features, and narratives describing where the offered system exceeded the stated requirements, the only reasonable interpretation of the RFP was that the agency intended to give evaluation credit where offerors proposed features that exceeded the RFP requirements. See Intermetrics, Inc., B-259254.2, Apr. 3, 1995, 95-1 CPD ¶ 215. Thus, contrary to EPS' contention, the award selection was not entirely based upon the identification and pricing of certain discriminators which indicated a lower "best value" price for Bell Atlantic's BAFO, although this was certainly considered; rather, the selection was reasonably based on an integrated assessment of the relative strengths of the proposals under the more heavily weighted technical/management area and price. See Picker Int'l, Inc., B-249699.3, Mar. 30, 1993, 93-1 CPD ¶ 275; DynCorp, supra.

EPS specifically challenges the discriminator for Bell Atlantic's system's "robust" appointment reminder capability, which was found to have the largest identified benefit to the government. We think the Air Force reasonably found that this represented a definite enhancement over what was required by the RFP. In this regard, Bell Atlantic's proposal showed that its VPS not only met the RFP requirement that it have the capability of calling patients to remind them of appointments without human intervention, but also showed in the matrix that its VPS exceeded the requirements for this capability and described how its VPS would allow patients called under the appointment reminder feature to indicate at that

⁶We note that EPS has not challenged the agency's assessment that Bell Atlantic's proposal reflected more technical merit than EPS' proposal.

time whether they intended to report for the scheduled medical appointment. The Air Force found that this enhancement benefited medical facility personnel by giving them advance notice of canceled appointments, thereby allowing the medical facility to more efficiently reschedule appointments and accommodate other patients. As indicated, the SSET quantified the estimated lost productive time of medical personnel without this feature at \$272,476.⁷ Although EPS argues that the potential savings are illusory, we find nothing inherently objectionable in this approach. EPS' disagreement with the agency's analysis does not make it unreasonable to consider the potential savings in this limited context. See Calspan Corp., B-258441, Jan, 19, 1995, 95-1 CPD ¶ 28.

In its comments on the agency report, EPS claims that its VPS actually possesses the same kind of robust appointment reminder capability as Bell Atlantic's VPS. However, EPS did not denote in the matrix that its VPS exceeded the minimum appointment reminder capability requirements, even though the RFP specifically requested that offerors identify the specific areas where the offered VPS exceeded the RFP's minimum mandatory requirements. Nor does that portion of EPS' proposal addressing this capability indicate that its offered VPS provided for patients to immediately and interactively respond to the computer generated appointment reminders. EPS asserts that this capability is inherent in its offered VPS and that if other portions of the proposal had been read more carefully, the Air Force should have been able to discern that its VPS had this capability. However, the agency reasonably evaluated EPS' proposal based on the information contained therein and EPS—in not highlighting this alleged capability in the manner required by the RFP—ran the risk that the Air Force would not be aware of it. See Baker Support Servs., Inc., B-257054.2, Jan. 20, 1995, 95-1 CPD ¶ 29.

EPS argues that the discriminators were selected arbitrarily, specifically referencing the fact that its proposal was not given credit for proposing a system that could also be employed as a telephone switch. EPS asserts that its VPS would have allowed hospitals to replace outdated telephone switches, which assertedly would represent a \$900,000 cost savings for the Air Force.

Although the Air Force recognized the beneficial nature of this aspect of EPS' VPS, it reports that it did not regard this feature as a significant discriminator. The

⁷In making this calculation, the SSET assumed an average of two missed appointments a week that average 30 minutes each and an hourly pay rate of \$18 for a scheduling employee, which resulted in a calculation that \$936 a year per site would be lost due to unproductive time of medical personnel if the VPS did not have this feature. This figure was then plugged into the present value formula used to calculate prices to arrive at \$272,476, which was added to EPS' and the other offerors' prices to normalize the proposals.

Air Force explains in this regard that the RFP was for a VPS, not a telephone switch (which serves an entirely different function than a VPS), and that it had no basis to conclude that medical facilities covered by this contract would decide to dispose of their current switches if award were made to EPS. In contrast to the appointment reminder capability, the capability of a VPS to also serve as a telephone switch was not identified in the matrix included in the RFP proposal instructions as an enhanced feature for which additional credit would be given. The Air Force also notes that, even assuming that a medical facility wanted to use the EPS VPS as a new telephone switch, it would be necessary to purchase additional proprietary equipment and software in order to enable the system to replace a dedicated telephone switch. While EPS disagrees with the Air Force's judgment in not giving it credit for this feature of its VPS, EPS has not shown it to be unreasonable.⁸ See Calspan Corp., supra.

In sum, the record reasonably supports the Air Force's determination that Bell Atlantic's technically superior, but slightly higher-priced, proposal represented the best value consistent with the RFP.

The protest is denied.

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⁸In its comments on the report, EPS also claims that, although the Air Force gave Bell Atlantic credit under a discriminator for proposing a system that was capable of interfacing with certain designated telephone switching systems (with which interface was not required but was desirable under the RFP), it inexplicably neglected to give EPS credit for this same desirable feature, even though EPS' proposal stated that its VPS "provides the capability of interfacing with the required systems as well as the desirable systems," and marked the appropriate matrix box denoting this desirable feature. Our review indicates that, in contrast to Bell Atlantic's more specific and detailed explanation of its VPS' interface capability with the desirable telephone switching systems, EPS' proposal merely contained the blanket statement that its VPS would interface with the desirable systems. In any case, even assuming EPS is correct in its assertion that its proposal deserved credit for this feature, EPS was clearly not prejudiced in the evaluation, given Bell Atlantic's similar strength, and its other more noteworthy strengths and benefits that offset EPS' slight price advantage. See TRI-COR Indus., Inc., B-252366.3, Aug. 25, 1993, 93-2 CPD ¶ 137.