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**Comptroller General  
of the United States**

Washington, D.C. 20548

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# Decision

**Matter of:** Information Systems Technology Corporation

**File:** B-280013.2

**Date:** August 6, 1998

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Paul J. Chun, Ph.D., for the protester.

Kenneth E. Patton, Esq., and Jonathan A. Baker, Esq., Department of Health & Human Services, for the agency.

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## DIGEST

Agency reasonably determined not to establish a blanket purchase agreement (BPA) with the protester where the firm failed to demonstrate in its technical proposal its understanding of the BPA statement of work requirements.

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## DECISION

Information Systems Technology Corporation (ISTC) protests the decision of the Health Care Financing Administration (HCFA), Department of Health & Human Services, not to establish a blanket purchase agreement (BPA) with the firm for independent verification and validation (IV&V) and system testing support services. ISTC protests the agency's evaluation of its proposal for the BPA.

We deny the protest.

By invitation letter dated January 29, 1998, the agency notified eight vendors on Federal Supply Schedule 70 for automated data processing services that the agency intended to establish four to six BPAs for IV&V/system testing support services. See Federal Acquisition Regulation (FAR) § 8.404(b)(4). The letter invited vendors to make an oral technical presentation tailored to the BPA statement of work (SOW) included with the invitation letter. The invitation letter also announced that three task orders were available for immediate consideration. The invitation letter included a SOW for task order No. 0001, and prior to the oral presentations, the agency issued SOWs for task order Nos. 0002 and 0003.

The invitation letter advised vendors that they could propose on "any, all, or none" of the task orders, and in this regard, stated that if a vendor was proposing on only the basic, *i.e.*, BPA, SOW, that the presentation should not exceed 1 hour, and if the vendor was proposing on any or all of the task orders, that the presentation should not exceed 2 hours.

The invitation letter stated that technical merit (technical approach, project management plan, personnel, Medicare program comprehension, and past performance) was paramount, and that the selections would be based on technical merit and the overall best values to the government. Cost/price would not be a factor in establishing the BPAs, but would be a consideration in issuing the task orders.

All eight firms, including ISTC, responded to the invitation letter by submitting limited technical proposals consisting of the firm's oral presentation viewgraphs and written textual supplementation, key personnel resumes, and past performance information. ISTC submitted a proposal responding to the SOWs for the BPA and for each of the task orders, and made a 2-hour oral presentation.

The agency evaluated a vendor's proposal for the BPA without considering information in the vendor's task order proposals. The agency evaluated a vendor's task order proposals independently from each other. Thus, depending on the number of task orders, in addition to the BPA, for which a vendor submitted a proposal, the agency could perform from one to four individual technical evaluations per vendor with each individual proposal being scored on a 600-point scale. In selecting vendors for the BPAs, the agency did not consider the evaluation results for the vendors' task order proposals.

As relevant to this protest, ISTC's proposal for the BPA received 264.1 points; the scores for the proposals of the other seven vendors ranged from 336.7 to 549.9 points. These scores were supported by narratives of the strengths and weaknesses in the vendors' proposals. With respect to ISTC, the agency basically determined that the firm failed to sufficiently demonstrate in its proposal for the BPA that it understood the technical requirements of the BPA SOW. The agency established BPAs with the four vendors with the highest technical scores. With respect to the agency's evaluation of the vendors' proposals for the task orders, ISTC's task order proposals received significantly lower scores compared to the scores for the task order proposals of the highest-rated vendors. The basis for the low scores assigned to ISTC's task order proposals was the firm's failure to demonstrate its understanding of the task order SOW requirements. However, subsequent to the establishment of the BPAs, the agency canceled task order Nos. 0001 and 0002 because they were not directly related to supporting HCFA's millennium compliance efforts.

ISTC challenges the agency's evaluation of its proposal for the BPA, basically contending that in deciding not to establish a BPA with the firm, the agency misevaluated its proposal by not also considering the information in its proposals for task order Nos. 0001 and 0002. In other words, ISTC maintains that there was information in its task order proposals which, when considered in conjunction with

the information in its BPA proposal, would have demonstrated the firm's understanding of the technical requirements of the BPA SOW.<sup>1</sup>

Agencies are not required to request proposals or to conduct a competition before establishing BPAs.<sup>2</sup> Because the agency did conduct a competition here, however, we will review the agency's actions to ensure that the evaluation was reasonable and consistent with the terms of the invitation letter. See COMARK Fed. Sys., B-278343, B-278343.2, Jan. 20, 1998, 98-1 CPD ¶ 34 at 4-5. The fact that a protester does not agree with the agency's evaluation does not render the evaluation unreasonable. Tracor, Inc., B-250716.2, Feb. 23, 1993, 93-1 CPD ¶ 165 at 7.

The record shows that the agency's primary concern with ISTC's proposal for the BPA was the firm's failure to specifically describe its technical approach beyond reiterating the requirements of the BPA SOW. In its proposal for the BPA, ISTC listed the following 6-step technical approach: (1) information gathering; (2) planning; (3) verification; (4) validation; (5) findings and recommendations; and (6) policies and procedures. Proposal at 10.<sup>3</sup> ISTC then furnished supporting information, in "bullet" format, for each of these steps. The record supports the agency's conclusion that this supporting information was cursory, lacked detail, and basically parroted the information contained in the BPA SOW. As a result, the agency could reasonably conclude that ISTC's BPA proposal failed to sufficiently demonstrate the firm's technical approach and understanding of the BPA SOW requirements.

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<sup>1</sup>ISTC believed, based on the invitation letter, that the evaluation of proposals for the BPA and for the task orders would be combined because nowhere in the invitation letter did the agency clearly announce that the evaluation of a vendor's BPA proposal would be performed without considering information in the vendor's task order proposals. The agency believes its intent to segregate the information and to evaluate proposals for the BPAs and task orders individually was clear from the invitation letter. However, we think the invitation letter failed to include a clear statement of the agency's intent to conduct separate evaluations of a vendor's BPA and task order proposals. Nevertheless, as will be discussed, the lack of a clear statement of the basis for the agency's evaluation did not prejudice ISTC because the contemporaneous evaluation record reasonably supports the agency's position that ISTC's proposals for the two task orders did not contain information which could have materially improved the results of the agency's evaluation of ISTC's BPA proposal.

<sup>2</sup>After a BPA is established, however, otherwise applicable competition requirements still apply to all acquisitions under the BPA. FAR § 13.303-5(a) (BPA to be used only for purchases that are otherwise authorized by law or regulation).

<sup>3</sup>Citations to the proposal refer to ISTC's oral presentation viewgraphs.

More specifically, the BPA SOW required, among other things, that the contractor "[v]erify the consolidated standard system's hardware and software inventories and configurations during the life cycle process," and "[e]valuate, verify and validate the approaches, plans, analyses, methods, processes and other deliverables throughout the life cycle of the system consolidation, millennium compliance and other efforts as determined by HCFA." BPA SOW, encl. 1 to Jan. 29 invitation letter, § C.1.b at 2, bullets 8 and 1. For step 3 of its technical approach (verification), ISTC stated only that the firm would "[v]erify technical guidelines, procedures and standards with requirements and specifications"; would "[s]ubstantiate requirements and design specifications"; would "[c]onfirm contractor approaches, plans, analyses, methods and procedures"; and would "[s]ubstantiate [the adequacy and availability of] . . . systems' hardware and software inventories." Proposal at 13-14. The BPA SOW also required that the contractor "[r]ecommend solutions to HCFA in the resolution of issues related to the approaches, plans, analyses, methods, processes and other deliverables and any potential problem areas." BPA SOW, bullet 2. For step 5 of its technical approach (findings and recommendations), ISTC stated only that it would "[d]ocument and report all findings," and "[p]repare recommendations for alternatives to alleviate any problems or issues with approaches, plans, analyses, methods, processes and other deliverables." Proposal at 16. The BPA SOW further required that the contractor "[p]rovide recommendations to HCFA in the development of operational policies and procedures for HCFA consolidated standard systems." BPA SOW, bullet 7. For step 6 of its technical proposal (policies and procedures), ISTC stated only that it would "[r]eview . . . HCFA strategies, policies and procedures for consolidation," and "[p]rovide recommendations to HCFA for the development of operational policies and procedures for consolidated systems." Proposal at 17. These examples illustrate that ISTC parroted in its technical proposal the SOW language for the BPA without explaining the methodologies by which the firm would accomplish the requirements of the BPA SOW. We conclude the agency reasonably downgraded ISTC's BPA proposal because the firm failed to offer sufficient detail in its proposal to establish its technical approach and understanding of the BPA SOW requirements.

ISTC maintains that there was information in its proposals for task order Nos. 0001 and 0002 that elaborated upon the technical information contained in its BPA proposal. To the contrary, the record, as supported by the contemporaneous evaluation narratives, shows that in its proposals for the task orders, ISTC again failed to detail its technical approach or to include information that would have demonstrated its understanding of the technical requirements of the BPA SOW. The record reasonably supports the agency's position that even if ISTC's task order proposals had been factored into the evaluation of the firm's BPA proposal, ISTC's technical score and overall ranking would not have improved.

For example, the BPA SOW required the contractor to "[r]eview and evaluate all test plans, procedures, scenarios, test data, and results related to the designated work efforts." BPA SOW, bullet 5. In its proposal for the BPA, for step 2 of its technical

approach (planning), ISTC stated only that it would develop a project work plan using critical path methods (CPM) and program evaluation and review techniques (PERT) and "What-If" simulations, and that it would "[r]eview and evaluate test plans, facilities, procedures, scenarios, test data and results related to the consolidation work efforts." Proposal at 12. We conclude that while the agency gave ISTC credit for identifying the need for a project work plan and products to be reviewed, the agency also reasonably downgraded ISTC's proposal because, other than reiterating the BPA SOW language, ISTC provided no information on how these activities would be conducted nor the review standards the firm would apply. In its proposal for task order No. 0001, the record shows that ISTC provided little additional descriptive information for step 2 of its technical approach. Specifically, ISTC repeated the CPM and PERT acronyms; stated that it would "[plan] and [track] [a]ctivities of [m]ultiple [t]asks, [s]ubtasks, and [p]ersonnel"; and with respect to the "What-If" simulations, provided three bullets with the following cursory information: "[t]imeframes for completing each [t]ask/[s]ubtask"; "[o]bjectives, [m]ilestones, and [d]eliverables relevant to each [t]ask [o]rder"; and "[r]esources needed to achieve each [t]ask and [s]ubtask." Proposal at 27. None of these bullets contained any information elaborating on ISTC's technical approach for the BPA SOW.

In its proposal for task order No. 0002, ISTC simply stated it "may use the same [t]echnical [a]pproach [as presumably outlined in its BPA proposal] with [i]mprovements"; "[d]evelop a [m]ethod and [p]rocedure for [u]tilization of [a particular cost report information system] in [i]nitial [r]eview"; and [d]evelop [d]eliverables and any [i]nterim [r]eports on [f]indings and [r]ecommendations." Proposal at 45. Again, there was no information in ISTC's proposal for task order No. 0002 that explained the firm's technical approach beyond the bullets contained in its BPA proposal.

ISTC has not shown that the agency unreasonably downgraded its proposal for failing to sufficiently demonstrate its technical approach and understanding of the requirements of the BPA SOW, either in its proposal for the BPA or in its proposals for the two task orders. ISTC has not offered any meaningful challenge to the agency's articulated concerns in this regard. On this record, we have no basis to object to the agency's decision not to establish a BPA with ISTC, the firm with the lowest technically rated proposal for the BPA.

Accordingly, the protest is denied.

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of the United States