



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

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Matter of: PCT Services, Inc.

File: B-281046; B-281012.2

Date: December 22, 1998

Thomas E. Abernathy IV, Esq., Smith, Currie & Hancock, for the protester.
John E. Lariccia, Esq., and Patrick F. Corbin, Esq., Department of the Air Force, for the agency.

Jeanne W. Isrin, Esq., and John M. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest that information supporting high performance risk rating is inaccurate, and that rating therefore was improper, is denied where: (1) supporting information is substantial and well documented, and was obtained from most recent, and best-informed sources available regarding protester's performance; (2) there is no basis on the face of the information to question its accuracy; and (3) protester has not established that the agency lacked a reasonable basis with respect to any of the deficiencies cited.

DECISION

PCT Services, Inc. protests the award of contracts by the Department of the Air Force for hospital aseptic management system (HAMS) services to: (1) Integrity Management Services, Inc., under request for proposals (RFP) No. F41622-98-R-0022, to serve Tyndall Air Force Base (AFB), Florida; (2) Rite-Way Services, under RFP No. F41622-98-R-0023, to serve Kirtland AFB, New Mexico; (3) Rite-Way Services, under RFP No. F41622-98-R-0026, to serve the U.S. Air Force Academy, Colorado and F.E. Warren AFB, Wyoming; and (4) Harry A. Stroh Associates, Inc. under RFP No. F41622-98-R-0027, to serve Keesler AFB, Mississippi and Barksdale AFB, Louisiana. PCT submitted the low-priced offer under each solicitation, and argues that it improperly was denied the awards based on an unjustified high-risk performance rating in the evaluation.

We deny the protest.

The RFPs, which had identical provisions, provided for award of fixed-price contracts for a base period with four 1-year options. The RFPs stated that award would be made on a best value basis using the following evaluation factors:

technical, past performance and price. RFP, Evaluation at 1. The technical factor was most important, and past performance and price were equally weighted. RFP, Evaluation at 3. Offerors were required to submit past performance information for relevant contracts performed within the past 2 years. RFP, Instructions to Offerors at 5, § 1(b)2. Technically acceptable proposals would receive a high, moderate, low, or not applicable risk rating based on the evaluators' review of present and past performance information provided in the proposal or obtained through the use of simplified questionnaires, and data independently obtained from other government and commercial sources. RFP, Evaluation at 2. A best value analysis then would be made based on a tradeoff between price and past performance. RFP, Evaluation at 3. The RFP provided that award might be made to other than the technically acceptable, lowest evaluated price offeror if that offeror were judged to have a moderate, high, or not applicable performance risk rating. Id.

PCT's proposal on each of the solicitations was the lowest-priced technically acceptable proposal received. However, analysis of past performance evaluation data obtained and information supplied by PCT resulted in a high performance risk rating. The tradeoff analysis resulted in a determination that the awardees' offers represented the best value to the government, despite PCT's lower price, in each case.

In evaluating PCT's performance risk, the agency reviewed: (1) PCT's most recent past performance evaluation (in connection with a contract award for Hill, Luke and MacDill AFBs), completed on January 20, 1998; (2) updated performance information concerning contracts at Patrick, Dover (two of the contracts included in the January 1998 evaluation) and Kirtland AFBs, sources provided by PCT; and (3) information supplied by PCT in its proposal and, later, in rebuttal to deficiencies cited from the Dover and Kirtland information.

In the January 1998 evaluation, PCT received a moderate risk rating based on a generally poor performance record, PCT's refusal to recognize or correct performance deficiencies (identified by the quality assurance evaluators (QAE) who answered the questionnaires), and its refusal to comply with contract requirements regarding change proposals. Our review of the information for that evaluation reveals that, while one of the six installations queried for performance information stated that it definitely would contract with PCT in the future, two indicated that they definitely would not, and two more indicated that they probably would not, award to PCT again (the sixth did not indicate what it would do in the future). Specific problems detailed included lack of corporate oversight, inadequate staffing,

inadequate training and quality control, and insufficient equipment and supplies, the latter reportedly because PCT was not paying its vendors.¹

The updated information obtained indicated that PCT's performance had not improved at Patrick since the January 1998 evaluation, and actually may have deteriorated at Dover. Patrick cited continuing customer complaints, contract discrepancies, unresponsive management, labor problems, and general dissatisfaction. The officials finished by commenting: "Unless there has been a drastic change in management I would not recommend this company for future HAMS contracts." July 28, 1998 Electronic Mail Message from [deleted] to [deleted] (produced as part of agency's November 10 production of additional documents). An updated questionnaire from Dover again indicated that it probably would not award another contract to PCT (as indicated in the questionnaire furnished in connection with the January 1998 evaluation). Although satisfied with PCT in some respects, Dover also stated that (1) it had a monthly average of 10 customer complaints, written or verbal; (2) PCT required close scrutiny to get adequate performance; (3) PCT met contract standards for uniforms and personal protective equipment only after repeated complaints; and (4) PCT did not maintain an adequate staff to meet requirements on all shifts. Although Dover rated PCT as satisfactory overall, it rated the firm only marginal for staffing and timely task completion.

Similarly, information obtained from Kirtland (deemed particularly significant because PCT was performing the contract at the time of the evaluation) detailed a large number of significant performance problems, as follows: lack of corporate oversight/management support of/for the field employees, e.g., the QAE stated that he had seen a corporate representative only twice, the first time when the contract was awarded and the second in May 1998, 5 months before the 5-year contract was to expire, at the time the executive housekeeper was replaced; poor judgment on the part of the contract manager on some safety-related issues, e.g., using ladders instead of scaffolding to clean second- and third-floor windows outside the facility, compromising employee safety; inadequate training and quality control, e.g., the executive housekeeper did not have plans for either; frequent absence of the executive housekeeper during duty hours; insufficient provision of supplies to perform the contract and nonpayment of wages to employees in some cases, both reportedly as a result of PCT's financial problems; a large turnover rate (in its comments, PCT acknowledged a 53-percent rate), including three executive housekeepers over the 5-year contract; on at least one occasion, the wet/dry vacuum from surgery was improperly used in other areas of the hospital; failure to meet contract requirements for uniforms and personal protective equipment; secured doors left unlocked by PCT personnel on at least one occasion; marginal

¹PCT filed a protest objecting to the moderate risk rating assigned, which we denied. See PCT Servs., Inc., B-279168, May 12, 1998, 98-1 CPD ¶ 152.

compliance with overall contract requirements for cleanliness; failure of PCT's stripper machine to comply with safety regulations when the batteries are being charged; failure to provide written work task schedules on all shifts; and inadequate staffing.²

On one of the Kirtland questionnaires, the QAE rated PCT only marginal for staffing and for the executive housekeeper's ability to recognize and resolve unanticipated difficulties; he rated PCT unsatisfactory in training and quality control. On a second questionnaire, Kirtland's contract administrator rated PCT marginal for: selection of key personnel, detailing employees' duties, the ability of the project staff to provide adequate expertise and management emphasis and responsibility, and submitting accurate and timely cost reports. Overall, both the QAE and the administrator rated PCT's performance marginal; the administrator stated she would not, and the QAE that he probably would not, award to PCT again.

PCT was given a chance to respond to the adverse information from Dover and Kirtland. (The information provided by Patrick was essentially unchanged from the January 1998 evaluation, at which time PCT had been given a chance to respond to it.) PCT's response raised further concerns. For example, PCT acknowledged a 53-percent turnover rate in the last year of the Kirtland contract, and attributed it to "the fact that the [executive housekeeper] was padding the payroll with her relatives." PCT's Rebuttal Concerning Past Performance at Kirtland, Tab 10 of Agency Report. Also, in response to a cited deficiency that the executive housekeeper had been absent during normal duty hours without notification to the QAE, PCT stated that this was the Air Force's fault, since it was required by the contract to notify PCT of her absence. Since the contract required PCT to notify the Air Force when the executive housekeeper was to be absent, contracting officials concluded that PCT had a basic misunderstanding of the requirement and PCT's responsibilities.

PCT argues that the high-risk performance rating assigned to its offer is unjustified because it is based on inaccurate information. In particular, PCT disputes the assertion that Kirtland received an average of 7 complaints per month and that Dover received an average of 10, arguing that the number of written complaints

²The record contains several further instances of the problems under PCT's Kirtland contract. For example, a subcontractor that cleaned PCT's mops repeatedly called the QAE to request payments which PCT had failed to make; the subcontractor reportedly was paid by PCT only months later. Kirtland also reported that it received a monthly average of seven customer complaints (written and verbal). The record contains 26 written customer complaints from Kirtland regarding PCT's performance, most concerning cleaning deficiencies, inadequate trash removal, insufficient supplies, inadequately trained staff, and inappropriate conduct by PCT staff.

only supports a monthly average of 1.13 complaints for Kirtland and 3 for Dover. PCT further argues that, in any case, the deficiencies cited simply are insufficient to support a high risk rating.

We will review an evaluation of an offeror's performance risk to ensure that it was reasonable and consistent with the stated evaluation factors. PCT Servs., Inc., supra, at 4; SEAIR Transport Servs., Inc., B-274436, Dec. 12, 1996, 96-2 CPD ¶ 224 at 5.

The evaluation was unobjectionable. First, the fact that the record does not include a sufficient number of written complaints to support the averages claimed by Kirtland and Dover is irrelevant, since the QAEs clearly indicated that the complaints received were both written and oral. Given the numerous and varied deficiencies outlined above, there is no reason to question the veracity of the Kirtland and Dover officials with regard to the total number of complaints received. Further, we agree with the agency that PCT's attempts to rebut several (but not all) of the deficiencies cited were unpersuasive. For example, while PCT submitted evidence of 11 in-service training sessions which occurred between December 5, 1994 and March 9, 1998, the fact remains that PCT's employees were found to evidence a lack of training. Moreover, even if that amount of training ordinarily would be viewed as sufficient to ensure that employees were properly trained (the record contains no information showing that this is the case), PCT's 53-percent employee turnover rate invites the conclusion that perhaps training was not being provided as fast as new employees were hired. We note that, for most of the cited deficiencies, PCT does no more than assert that the activities' conclusions are wrong. For example, the Kirtland information indicated that PCT failed to provide written work task schedules on all shifts as required; PCT maintains that work schedules were provided to the QAE. The Dover information stated PCT did not maintain an adequate staff on all shifts; PCT maintains that staffing was adequate. This mere disagreement is not sufficient to establish that the prior performance information provided to the agency was incorrect. See PCT Servs., Inc., supra, at 4-6; Pannesma Co., Ltd., B-251688, Apr. 19, 1993, 93-1 CPD ¶ 333 at 6.

PCT's argument that the cited deficiencies are inadequate to support a high risk rating is without merit. Nothing in the RFP specified the number or type of deficiencies that would lead to certain risk ratings. This being the case, the only question is whether the agency reasonably determined that the deficiencies reported by prior contracting activities were sufficient in quantity, type and seriousness to warrant a finding that PCT's proposal presented a high risk that the contract would

not be performed properly. We think the cited deficiencies clearly provided a reasonable basis for such a conclusion.³

Noting that the high risk rating was based largely on information from Dover and Kirtland, PCT argues that since the Dover QAE rated PCT satisfactory overall and Kirtland's QAE rated PCT marginal, a high-risk rating was not warranted. This argument is without merit. The adjectival ratings used by the activities notwithstanding, the agency properly could base its performance risk rating on the totality of the information presented. As indicated above, we think the deficiencies reported by the activities provided a sufficient basis for the agency to rate PCT's proposal high risk.

PCT argues that the agency improperly failed to consider that its proposal included a new management plan outlining improvements PCT plans to make in future contracts. This argument is without merit. First, our review indicates that the submission consisted of 1-1/2 pages of projected changes in operating procedures, largely directed toward alleviating the lack of corporate oversight cited in the Kirtland questionnaires. In any case, the record indicates that contracting officials considered all the information provided by PCT, which includes the new management plan, and found it an inadequate basis for assigning a better risk rating. There is nothing unreasonable in this conclusion.

The protest is denied.

Comptroller General
of the United States

³We note also that, with respect to RFP Nos. F41622-98-R-0026 and F41622-98-R-0027, the agency also calculated performance risk ratings using a quantitative method based on the QAEs' responses as to whether they would award a contract to that offeror again. PCT's score equated with a high risk rating.