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**Comptroller General
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**United States Government Accountability Office
Washington, DC 20548**

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Decision

Matter of: Dellew Corporation

File: B-298233.2; B-298233.3

Date: September 13, 2006

Timothy H. Power, Esq., Timothy H. Power Law Office, for the protester.
Johnathan M. Bailey, Esq., Bailey & Bailey, PC, for Defense Contract Services, Inc.,
an intervenor.

Maj. John G. Terra, and Capt. David W. Armstrong, Department of the Air Force, for
the agency.

Jacqueline Maeder, Esq., and John M. Melody, Esq., Office of the General Counsel,
GAO, participated in the preparation of the decision.

DIGEST

Agency's evaluation of protester's past performance was unobjectionable where
record establishes that evaluation was reasonable and consistent with stated
evaluation factors.

DECISION

Dellew Corporation protests the award of a contract to Defense Contract Services, Inc. (DCSI) under request for proposals (RFP) No. FA4417-06-R-0001, issued by the Department of the Air Force, 16th Contracting Squadron, for logistics readiness functions at Hurlburt Field, Florida. Dellew challenges the evaluation of past performance and the award to DCSI.

We deny the protest.

The solicitation, issued as a small business set-aside on November 15, 2005, provided for award of a fixed-price contract for a base year, with four 1-year options, for a broad array of logistics readiness functions. The RFP provided a detailed statement of work (SOW) describing the required services, which included all of the functions of the procedures and analysis, document control, inventory, hazardous materials, and delivery sections of the 16th Logistics Readiness Squadron (LRS). Specific tasks of each of these LRS sections—including, for example, obtaining and analyzing statistical data to determine the effectiveness of unit operations and processes, performing semi-annual analyses of customer complaints or problems, establishing and maintaining inventory schedules, conducting inventories of assets, researching

inventory discrepancies, managing the receipt, storage, issue, inspection, and distribution of hazardous materials, maintaining the existence of a low-level radioactive storage facility, coordinating the disposition of radioactive material, and delivering all supplies and equipment to on-base activities--were listed in the solicitation.

Award was to be made based on initial proposals, without discussions, to the firm whose offer was evaluated as the "best value" to the government, considering technical factors--mission capability (with two subfactors--quality control plan and transition plan) and past performance--and price. RFP amend. 1, at 5. The mission capability and past performance factors, combined, were equal in importance to price. Id. The evaluation under the mission capability factor (representing the evaluators' views as to the offeror's ability to meet performance or capability requirements) was expressed with color/adjectival ratings--blue/exceptional, green/acceptable, yellow/marginal, and red/unacceptable. The past performance evaluation was expressed in terms of high confidence, significant confidence, satisfactory confidence, unknown confidence, little confidence, and no confidence, representing the evaluators' assessment of an offeror's probability of successfully accomplishing the requirements. Id. at 6-7.

Regarding past performance, the RFP instructed offerors to "identify past or current contracts (including Federal, State, local government and commercial) for efforts similar in size, scope, type, and complexity to the requirements stated in this RFP." RFP amend. 1, at 4. Offerors were to provide references for all recent and relevant work (up to 10 projects) performed in the last 3 years. References were to rate the contractor's performance as exceptional, very good, satisfactory, marginal, or unsatisfactory in response to seven performance questions, including, for example, how well the vendor met required delivery/performance times, the contractor's standard of workmanship, and its ability to identify and solve problems as they occurred. Id. at 8, 10-11. Each reference also was to indicate, on a scale of 1 ("definitely yes") to 5 ("definitely no"), whether he or she would award a contract to the contractor today.

The agency received 11 proposals, including Dellew's and DCSI's, by the January 19, 2006 due date. Dellew's proposal identified four contracts for past performance evaluation purposes: one subcontract for automated base supply and logistics support services at Schofield Barracks, Hawaii, and three prime contracts to (1) manage the Training Support Center, including the inventory of training equipment at Schofield Barracks; (2) operate two self-help stores for household and lawn maintenance items at Fort Shafter and Schofield Barracks, and (3) receive, process and distribute mail at Hickam Air Force Base, Hawaii. Agency Report (AR), Tab 6, Dellew Proposal, Past Performance, at 1-10. The agency received four performance surveys (including two from different references regarding the Schofield Barracks contract). The four references rated Dellew's performance exceptional for 20 of the 28 performance questions; Dellew's reference for

management of the Schofield Barracks Training Support Center rated Dellew's performance very good under 2 questions regarding Dellew's standard of workmanship and its ability to provide experienced installers with the required technical capabilities. AR, Tab 11, subtab C, at 1-13. Two references did not respond to a total of six of the questions, noting that the terms in the questions were unfamiliar or the questions were not applicable. Id. Three of the references selected "1" to indicate that they would "definitely" award a contract to Dellew today; the fourth reference, who was the reference for Dellew's base supply and logistics support services subcontract, wrote in "1.5," indicating that it was more likely than "maybe" but less likely than "definitely" that he would award a contract to Dellew. Id. at 2, 5, 8, 13.

DCSI's proposal identified three contracts: one prime contract for warehouse services involving the receipt, storage, duplication, packaging, shipping, and inventory management of electronic education/recruitment materials at Maxwell Air Force Base, and two subcontracts, for (1) base supply services (including material management, systems and materials storage and distribution, missile maintenance material control, hazardous materials management, and fuels management) at Malmstrom Air Force Base, and (2) for the procedures and analysis portion of the Elmendorf Air Force Base supply contract. AR, Tab 7, DCSI Proposal, vol. 2, at 2-9. The agency received three performance surveys for DCSI, with "exceptional" ratings under all 21 performance questions. All three references selected "1" to indicate that they would "definitely" award a contract to DCSI today. AR, Tab 13, subtab C, at 1-8.

The agency's technical evaluation panel (TEP) evaluated the proposals, and award was made to DCSI (without discussions) on March 31. This award was challenged in a protest filed in our Office by another offeror. In response, the agency took corrective action, proposing to establish a new evaluation team and reevaluating the proposals; we therefore dismissed the protest as academic. (B-298233, May 11, 2006). The new TEP evaluated both Dellew's and DCSI's proposals as green/acceptable under mission capability, but assigned Dellew a satisfactory confidence rating for past performance while assigning DCSI a significant confidence rating. AR, Tab 16, Source Selection Decision Document (SSDD), at 2. Dellew's proposed price was \$2,206,484.64, and DCSI's \$2,231,220.00. Id. The contracting officer, who served as the source selection authority (SSA), reviewed the evaluation results and determined that DCSI's proposal offered the best value to the government, specifically noting that Dellew's only past performance related to LRS work was its current subcontract at Schofield Barracks, and concluding that Dellew "did not show very much background in [its] past performance for working LRS-type contracts." AR, Tab 8, Post-Award Debriefing, at 2; AR, Tab 16, SSDD, at 3. DLA made award to DCSI on June 12.

Dellew contends that the agency improperly employed an unstated evaluation criterion in its past performance evaluation, asserting that there was no requirement in the RFP that past performance include LRS-type contracts.

This argument is without merit. As noted above, the solicitation identified the work as LRS functions, listed five specific LRS functions and specific tasks under each LRS function, and requested that offerors submit relevant past performance information regarding efforts “similar in size, scope, type and complexity” to the requirements here. RFP, amend. 1, at 4. The solicitation thus clearly contemplated that, in evaluating proposals under past performance, the agency would consider whether an offeror had experience providing the five types of LRS services outlined in the solicitation.

Dellew argues that it should have received a significant confidence rating under the past performance factor; in light of its low price, this would have moved it into line for award. Specifically, Dellew notes that both firms performed base supply subcontracts and contracts to provide services that are part of base supply, and asserts that the reference ratings for its and DCSI’s prior contracts are essentially equal. Dellew argues that its receipt of two “very good” reference ratings rather than uniformly “excellent” ratings is a “slight difference” that “cannot justify rating Dellew below DCSI.” Protester’s Comments at 4.

In reviewing protests challenging an agency’s evaluation of offers, we will not substitute our judgment for that of the agency regarding the merits of the offers; rather, we will examine the evaluation record to ensure that it was reasonable and consistent with the solicitation’s evaluation criteria and applicable statutes and regulations. Coastal Drilling, Inc., B-285085.3, July 20, 2000, 2000 CPD ¶ 130 at 4. A protester’s mere disagreement with the agency’s evaluation does not render it unreasonable. CORVAC, Inc., B-244766, Nov. 13, 1991, 91-2 CPD ¶ 454 at 5.

The past performance evaluation was unobjectionable. Although the SSA commented on Dellew’s relatively limited past performance, the record shows that the selection ultimately turned on Dellew’s and DCSI’s reference ratings. In this regard, while both firms received exemplary ratings, and Dellew emphasizes the similarity in the ratings, the fact is that the ratings were not the same—DCSI’s ratings were uniformly “excellent,” while Dellew received two “very good” ratings in addition to its “excellent” ratings. As discussed above, one of Dellew’s references also did not unequivocally state that he “definitely” would award a contract to Dellew again—instead of selecting “1” to indicate that he “definitely” would award a contract to Dellew today, he wrote in “1.5,” indicating that he was less than certain that he would make a new award to Dellew. While these appear to be relatively minor distinctions, there is no basis to conclude that the agency was not permitted to give weight to them in its price/technical tradeoff. As noted above, Dellew’s price advantage over DCSI was relatively minor—\$24,736—and we think the agency reasonably could determine that DCSI’s edge under the past performance factor was sufficient to offset Dellew’s price advantage.

Dellew argues that the SSA misread the past performance evaluation results. Specifically, Dellew points to the TEP's summary of Dellew's past performance, which stated, "1 contract not LRS type award." AR, Tab 11, Dellew Past Performance Evaluations, subtab B, at 1. Dellew interprets this notation to mean that the TEP determined that three of its four listed contracts were LRS-related, and that only one was not. Protester's Comments at 2-3. Dellew then points to language in the SSA's Briefing to the Evaluation Team, which reads: "Past performance shows 1 contract, however, it is not an LRS type contract." AR, Tab 9, Source Selection Authority Briefing, at 13. Dellew concludes that the SSA based her award decision on incorrect information.

While the language in the agency's various evaluation documents is confusing, the record shows that the SSA was fully aware that Dellew had performed more than one contract, and that she determined that three of Dellew's contracts did not involve the complexity, scope, or type of LRS work required under the RFP. Specifically, as noted above, the SSDD and Post-Award Debriefing set forth the SSA's determination that Dellew did not "have much experience" with LRS contracts, and had broad LRS experience under only one contract. Dellew does not actually claim that three of its listed contracts were LRS contracts; rather, it merely focuses on the apparent misstatement in the TEP's summary. This is not sufficient to establish that the evaluation was unreasonable given our finding that the SSA's ultimate conclusions in fact are supported by the record. To the extent Dellew believes the agency should have found that three of its contracts were LRS contracts covering the work under the RFP, it has neither identified which of its four contracts it believes are of this type, nor shown where in its proposal it described the work under those contracts as broad LRS work. This argument therefore provides no basis for questioning the evaluation.

Dellew argues that the evaluation documentation in the record is inadequate because the agency failed to provide individual evaluator score sheets. In response, the agency explains that, while the evaluators met, reviewed the offerors' past performance documents, and reached a consensus rating for each offeror, individual evaluation sheets were not required or completed. The lack of individual evaluator documents does not render an agency's evaluation unreasonable per se; rather, we will consider the record adequate if the consensus documents and source selection decision sufficiently document the agency's rationale for the evaluation. Joint Mgmt. and Tech. Servs., B-294229, B-294229.2, Sept. 22, 2004, 2004 CPD ¶ 208 at 3-4; Global Eng'g and Constr., LLC, B-290288.3, B-290288.4, Apr. 3, 2003, 2003 CPD ¶ 180 at 3 n.3. The evaluation documentation here is sufficient because it includes TEP consensus documents and the SSDD, which adequately detail the strengths and weaknesses

that formed the basis for the agency's evaluation ratings for each offeror and the selection decision.

The protest is denied.

Gary L. Kepplinger
General Counsel