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**Comptroller General  
of the United States**

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

# Decision

**Matter of:** Healthcare Technology Solutions International

**File:** B-299781

**Date:** July 19, 2007

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Dennis Foley, Esq., and Phillipa L. Anderson, Esq., Department of Veterans Affairs, for the agency.

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## **DIGEST**

Agency reasonably selected higher-rated quotation under competitive procurement under Federal Supply Schedule program where price difference between the protester's and awardee's quotations was insignificant.

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## **DECISION**

Healthcare Technology Solutions International (HTSI) protests the establishment of a blanket purchase agreement (BPA) with United Audit Systems, Inc. (UASI) under that firm's Federal Supply Schedule (FSS) contract, pursuant to request for quotations (RFQ) No. VA-528-07-RQ-0059, issued by the Department of Veterans Affairs (VA), Syracuse, New York, for off-site medical coding services for the Veterans Integrated Service Network (VISN) 2 for upstate New York.<sup>1</sup> The protester asserts that the agency's evaluation of quotations and selection of UASI's quotation for the establishment of the BPA were unreasonable.

We deny the protest.

The RFQ sought quotations for "medical coding services to be provided off-site (remotely) for coding (data validation and/or coding prior to bills being released) as needed." RFQ at 2. The solicitation informed vendors that "fluctuations in workload

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<sup>1</sup> As defined by the agency, medical coding is the "assigning [of] codes to health care diagnoses and procedures which help in financial reimbursement from insurance companies." Agency Submission (July 10, 2007).

are expected based on the needs of VISN 2,” and that the successful vendor will “provide all labor, materials, off-site computer equipment and supervision necessary to perform coding audits and retrospective review of [certain] outpatient encounters.” RFQ at 2-3.

The RFQ provided that access to the VISN 2 database “will be via VPN (VA Virtual Private network) through ISP (Internet Service Provider),” and that “[t]here are currently no restrictions on the ISP that may be used for this access.” RFQ at 3. The solicitation added that the successful vendor’s employees “requiring computer access” would be subject to a “background investigation and must receive a favorable adjudication from the VA Office of Security and Law Enforcement.” RFQ at 3-4. The solicitation added here that the successful vendor’s employees would be required to sign a specified VA “form before access codes are issued,” and “undergo a New Employee/user information Security Awareness Orientation session and complete the annual Cyber Security on-line Course” prior to contract performance. RFQ at 3-4.

The solicitation provided for the establishment of a BPA from the “date of award . . . through February 29, 2008 with the option to renew for an additional year.” RFQ at 2. Vendors were instructed to “submit a detailed technical proposal,” which addressed the following evaluation criteria, listed in descending order of importance:

1. Experience and past performance with VA Contracts [40 points].
2. Knowledge of [Veterans Health Administration] Coding practices [25 points].
3. Knowledge of Quadramed/DSS Pro Fee Compliance Suite Software [20 points].<sup>2</sup>
4. Credentials of employees [based upon certain specified coding] certifications [18 points].
5. Plan to complete work within 72 hours from the date made available to the contractor [15 points].
6. Confirm employees have high speed internet access [5 points].
7. Confirm employees have One-VA VPN access [2 points].

RFQ at 4-5; Agency Report (AR), Tabs 4 and 5, Technical Evaluation of HTSI’s and UASI’s Proposals.<sup>3</sup> Vendors were also requested to complete a price schedule by

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<sup>2</sup> The agency explains that Quadramed is a software package that interfaces with VA’s Veterans Health Information Systems and Technology Architecture (VISTA), and that “[a]ll VA’s are required to use the Quadramed software for coding.” AR at 2 n.1.

<sup>3</sup> The RFQ did not disclose the maximum points available under each criterion.

inserting unit and total prices based upon the agency's estimates of the coding services to be required. RFQ at 2.

The agency received quotations from four vendors, including UASI and HTSI, and the quotations were forwarded to a technical evaluation team for review. AR at 3. UASI's quotation received a total of 113 out of 125 points under the technical evaluation criteria, with a unit price of \$4.25 for the base and option periods and a total evaluated price of \$365,500. AR, Tab 3, UASI's Quotation, at 2; Tab 6, Evaluation Summary. HTSI's quotation received a total of 84 points under the technical evaluation criteria, with unit prices of \$4.25 for the base period and \$4.21 for the option period, and a total evaluated price of \$363,500. AR, Tab 2, HTSI's Quotation, at 2; Tab 6, Evaluation Summary. The agency regarded HTSI's price advantage as insignificant, noting that HTSI's quotation "would result in a savings of only 1% (\$2,000) over the life of the contract," and selected UASI's higher-rated quotation for issuance of the BPA. AR, Tab 7, Best Value Analysis, at 3. In doing so, the agency noted, among other things, that UASI had extensive experience working with VA and specifically with VISN 2, including the performance of 11 contracts for VA medical coding services. Id. at 2.

The protester argues that the agency's evaluation of its and UASI's quotations was unreasonable. When an agency conducts a formal competition under the FSS program, we will review the agency's evaluation of vendor submissions to ensure that the evaluation was reasonable and consistent with the terms of the solicitation. SI Int'l, SEIT, Inc., B-297381.5; B-297381.6, July 19, 2006, 2006 ¶ CPD 114 at 11; COMARK Fed. Sys., B-278343; B-278343.2, Jan. 20, 1998, 98-1 CPD ¶ 34 at 4-5.

The protester argues that UASI's proposal should have been downgraded by the agency because certain of the off-site coding services will be performed by UASI's employees from their homes. The protester asserts that the agency, in evaluating quotations, should have considered "the inherent weaknesses associated with [UASI] using coders located in their homes," given what the protester argues are "the security associated with home coding." Protest at 6; Protester's Comments at 2. In this regard, the protester notes that it planned to perform the coding services at its "leased coding center located on the Wilkes-Barre [VA Campus]," where "[s]ecurity monitoring" is "provided 24 hours a day, seven days a week." AR, Tab 2, HTSI's Quotation, Technical Proposal, at 2.

As the agency points out, the solicitation specifically provided for the performance of the coding services "off-site." There is nothing in the solicitation that provides or indicates any requirements regarding where "off-site" the services could be performed (such as at a personal residence), nor are any of the evaluation criteria set forth in the solicitation related to an assessment of the off-site location or facility

proposed.<sup>4</sup> Accordingly, we cannot find that the agency acted unreasonably in not considering what the protester characterizes as “the inherent weaknesses associated with [UASI] using coders located in their homes,” or the protester’s asserted advantages in providing the services from its leased facility.<sup>5</sup> See Protest at 6.

The protester argues that the agency unreasonably downgraded its quotation because the protester’s quotation reflected that data entry staff would enter the codes rather than trained and certified coders. Protester’s Comments at 3-4; AR, Tab 2, Protester’s Quotation, at 6, 11; Tab 5, Technical Evaluation of HTSI’s Quotation, at 1. The protester argues that “the only difference is that [UASI] is using coders as data entry staff to enter the codes and HTSI is using data entry staff to enter codes,” and that because based upon the protester’s “studies there is no difference in accuracy percentage when comparing coders used to enter codes and data entry staff who enter the codes,” its quotation was unfairly evaluated in this regard. Protester’s Comments at 4. The protester adds here that the agency’s criticism of this aspect of its quotation, based upon the agency’s understanding that “there is no way of knowing who actually encoded the encounter” for performance monitoring purposes, is unreasonable. As the protester explains, the identity of the individual who coded the encounter can be determined “from an open field in the Quadramed software where we enter who coded the record.” Id. at 3-4; see AR, Tab 5, Technical Evaluation of HTSI’s Quotation, at 1.

The comments in the evaluation record that the protester argues are not reasonably based appear in part under the “Knowledge of [Q]uadramed/DSS Pro Fee Compliance suite software” and in part under the “Knowledge of VHA coding practices” evaluation criteria. AR, Tab 5, Technical Evaluation of HTSI’s quotation. HTSI’s quotation received scores of 18 out of 25 points under the “Knowledge of VHA coding practices” criterion and 6 out of 20 points under the “Knowledge of [Q]uadramed/DSS Pro Fee Compliance Suite Software” criterion. Id. Accordingly, even assuming that HTSI’s quotation should have received perfect scores of 25 and 20 points under these evaluation criteria, HTSI’s quotation’s total evaluated technical score would increase to 105 points, in comparison to UASI’s quotation’s total

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<sup>4</sup> According to the agency, there is no agency policy prohibiting or restricting the performance of coding services from a personal residence. Contracting Officer’s Statement at 1; AR, Tab 13, E-mail (May 21, 2007) (no VA policy regarding “contract[ing] home coding services . . . exists and none is required.”)

<sup>5</sup> To the extent that the protester is arguing that the solicitation should have prohibited the performance of the coding services from personal residences because of what the protester believes are security concerns, its argument is untimely. Protests based upon alleged improprieties in a solicitation that are apparent prior to the closing time for receipt of proposals must be filed before that time. Bid Protest Regulations, 4 C.F.R. § 21.2(a)(1) (2007).

evaluated technical score of 113 points. This is so because the primary discriminator between the quotations, evaluated by the agency under the most heavily weighted “Experience and Past Performance with VA Contracts” criterion, is that UASI has successfully performed 11 contracts for VA involving off-site coding services, whereas HTSI has performed only 2 contracts for VA, with only 1 of these contracts involving off-site coding services—a fact that HTSI has not challenged. Given UASI’s evaluated technical superiority, even assuming that HTSI’s quotation deserved full credit under the “Knowledge of VHA [C]oding [P]ractices” and the “Knowledge of Quadramed/DSS Pro Fee Compliance Suite Software” evaluation criteria, and what the agency reasonably regarded as an insignificant difference in price between the quotations (\$363,500 v. 365,500 or less than 1 percent),<sup>6</sup> we see no reasonable possibility that HTSI’s quotation would have been selected for the issuance of the BPA by the agency, even if these protest grounds were found to be meritorious. It necessarily follows that HTSI was not competitively prejudiced by any possible errors in the evaluation of its quotation. Our Office will not sustain a protest unless the protester demonstrates a reasonable possibility that it was prejudiced by the agency’s actions, that is, unless the protester demonstrates that, but for the agency’s actions, it would have had a substantial chance of receiving the award. McDonald-Bradley, B-270126, Feb. 8, 1996, 96-1 CPD ¶ 54 at 3; see Statistica, Inc. v. Christopher, 102 F.3d 1577, 1581 (Fed. Cir. 1996).

The protester finally claims that the information it was provided during its debriefing was inadequate as well as inconsistent with the evaluation record provided by the agency in its report submitted in response to this protest. The protester, in addition to protesting the adequacy of the debriefing, concludes, based upon its view that the debriefing was inconsistent with the evaluation record provided by the agency, that the agency “made up the [evaluation] criteria as they went [along] to justify a biased procurement.” Protester’s Comments at 3.

Whether or not an agency provides a debriefing and the adequacy of a debriefing are issues that our Office will not consider, because the scheduling and conduct of a debriefing is a procedural matter that does not involve the validity of an award. The Ideal Solution, LLC, B-298300, July 10, 2006, 2006 CPD ¶ 101 at 3 n.2; see Symlicity Corp., B-297060, Nov. 8, 2005, 2005 CPD ¶ 203 at 3 n.4. Additionally, prejudicial motives will not be attributed to contracting officials on the basis of unsupported allegations, inference, or supposition. McDonnell Douglas Corp., B-259694.2, B-295694.3, June 16, 1995, 95-2 CPD ¶ 51 at 28. Based on our review, the protester’s

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<sup>6</sup> The protester questions whether it received full evaluation credit for its low price. However, another quotation (not HTSI’s or UASI’s) submitted the low price and received the maximum score. The price point scores awarded HTSI’s and UASI’s were almost identical because of the negligible price difference between the quotations.

claims of bias here are not supported by the record and amount to nothing more than unsupported allegations or inferences, and thus will not be considered further.

The protest is denied.

Gary L. Kepplinger  
General Counsel