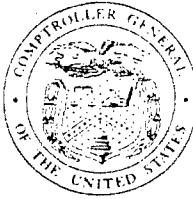


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DECISION



THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

FILE: B-194519

DATE: March 4, 1980

MATTER OF: First Ann Arbor Corporation

DL604021

DIGEST:

1. [Protest alleging deficiencies in evaluation of proposals] upon which award was based is denied where record indicates evaluation was conducted in accordance with specific evaluation point system set forth in RFP which gave due weight to the technical and price merits of the proposals.
2. Although agencies have broad discretion to determine how they will point-score proposals, reliance on approach that might produce misleading results, such as where points for price are allocated to very low-priced proposals which are technically unacceptable, could be inappropriate. While different scoring approach would have produced different result, GAO will not object to award where scoring approach used does not produce irrational result. However, agency is advised that Selection Officials must be aware of possible misleading results that could flow from approach utilized.

First Ann Arbor Corporation (First Ann Arbor), protests the award of a contract to Alam and Company (Alam) under request for proposals (RFP) SBA-7(i)-MA-79-1 issued by the Small Business Administration (SBA). The solicitation requested proposals for providing management and technical assistance services for Area No. 28 (Detroit) to eligible individuals or enterprises.

The RFP provided that each proposal would be evaluated on a point system with respect to (1) the quality, experience and capability of each offeror's staff; (2) the previous experience and effectiveness of each offeror's firm, and; (3) total contract price based on an estimated number of task days. For evaluated areas (1) and (2), each had a maximum point score of 35 while

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(3) had a maximum point score of 30. Award was to be made to the responsible offeror whose offer conforming to the RFP received the highest evaluated score.

The proposals received were evaluated from technical and price standpoints. Award was made without negotiations on the basis of initial proposals, as permitted by the RFP, to the responsible firm submitting the highest evaluated proposal after determination that acceptance of this proposal would result in a fair and reasonable price.

The protester alleges that it, as the incumbent contractor, had previously performed in an excellent manner and that its proposal was several thousand dollars lower than Alam's. In effect it disagrees with the evaluation of its proposal.

The record indicates that Alam received the highest technical score and the highest total evaluated score. While the protester did receive a higher score for "price" its technical score was lower than Alam's and as a result, First Ann Arbor had a lower total evaluated score.

Regarding technical evaluations, it is the position of this Office that procuring agencies are vested with a reasonable range of discretion in evaluating and determining the relative merits of competing proposals and such determinations will not be questioned unless they are clearly arbitrary, unreasonable, or in violation of procurement statutes and regulations. John M. Cockerham & Associates, Inc.; Decision Planning Corporation, B-193124, March 14, 1979, 79-1 CPD 180; Decision Sciences Corporation, B-183773, September 21, 1976, 76-2 CPD 260 and cases cited therein. Further, it is well established in negotiated procurements that awards are not required to be made solely on the basis of the lowest price. General Exhibits, Inc., 56 Comp. Gen. 882 at 887 (1977), 77-2 CPD 101.

While First Ann Arbor takes issue with the evaluation it received, the record is void of any evidence that the evaluation was not conducted in accordance with the evaluation scheme set forth in the RFP or was based

on anything other than the reasoned judgment of the evaluators. As for Alam's proposal being several thousand dollars higher than the protester's, the evaluation point-scores on "price" showed that Alam's higher price received a lower score on that basis than the proposal of First Ann Arbor. Moreover, while First Ann Arbor questions why it received only 1 1/2 more evaluation points for price in view of the dollar difference (\$8,425) between proposals, the record shows that points were allocated on the basis of all prices received, and that the 1 1/2 point differential does reflect the price difference between the First Ann Arbor and Alam proposals in light of the other price proposals received.

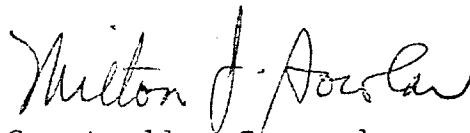
We have some reservations, however, regarding the allocation of points in this way. In Francis & Jackson, Associates, 57 Comp. Gen. 244 (1978), 78-1 CPD 79, we recognized that agencies have broad discretion to determine how and to what extent they will point-score proposals and that one generally acceptable approach is the one used here, that is, awarding the total number of points available for price to the lowest priced proposal and awarding proportionately fewer points to increasingly higher-priced proposals. We pointed out, nonetheless, that reliance on any particular approach could be inappropriate if it would produce a misleading result, such as where an evaluation encompasses a very low proposed price which is associated with a technically unacceptable proposal. 57 Comp. Gen. at 250. We cited Design Concepts, Inc., B-186125, October 27, 1976, 76-2 CPD 365, where the agency utilized the same scoring system for price as was used here, and where we suggested that the agency review that scoring approach because "the low price from which all other prices were downgraded was submitted by an offeror with a [relatively very low] technical score * * * and no reasonable chance for award since 21 technical proposals were rated higher."

Here, SBA allocated price points for all proposals received, even though some proposals, with technical point scores ranging from zero to 12 (compared with 44.3 for the

winning proposal), clearly were technically unacceptable and two of them had prices associated with them that were significantly lower (\$56,875 and \$64,800) than the range (\$81,327 to \$115,897) of all others received. We do not understand what purpose is served by point-scoring proposals on price when those proposals have no reasonable chance of otherwise being accepted and, as indicated in Francis & Jackson, when such proposals are also significantly lower priced than those which are in the range of acceptability, their inclusion in the price scoring could distort the evaluation results. We note that here, for example, the final overall scores for Alam and First Ann Arbor were very close, and that had SBA not included the two lowest priced proposals in the price scoring, the point difference between the price proposals of Alam and First Ann Arbor would have been 2.2 rather than 1.5, and that First Ann Arbor would have then had the highest overall evaluation score.

We cannot conclude, however, that the selection of Alam was irrational or otherwise illegal. We pointed out in Francis & Jackson that while the scoring system used had the potential for producing a misleading result, we could not object to the award of 32 percent less points to a proposal that was priced 42 percent higher than another proposal. Here, First Ann Arbor cannot readily complain since Alam, although 7.3 percent higher in price received an 8.1 percent lower point score for price. Thus, while SBA could have scored proposals differently which could have resulted in a higher overall score for First Ann Arbor than for Alam, the approach used by SBA here did not, in our view, produce an irrational result. Consequently, we will not object to the award to Alam. However, we are advising the Administrator of SBA of the need for selection officials to be aware of the possible misleading results that may flow from point-scoring price proposals as was done here and for those officials to insure that contract awards are in fact made in the best interests of the Government and not automatically on the basis of the results of point-scoring proposals. See New Hampshire-Vermont Health Service, 57 Comp. Gen. 347, 356 (1978), 78-1 CPD 202.

The protest is denied.

A handwritten signature in cursive script, reading "Milton J. Fowler". The signature is written in dark ink and is positioned above the typed name.

For the Comptroller General
of the United States