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DECISION



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

FILE: B-218001.2

DATE: April 8, 1985

MATTER OF: Rice Services

DIGEST:

1. Agency decision to exclude offeror from competitive range is proper where offeror's technical proposal was unacceptable and so deficient as to require major revisions before it could be made acceptable.
2. Where proposal is properly rejected as technically unacceptable, offered cost is irrelevant as the proposal could not be considered for award.

Rice Services (Rice) protests the exclusion of its proposal from the competitive range under request for proposals (RFP) No. DABT35-84-R-0040 issued by the Department of the Army (Army) for food services at Fort Dix, New Jersey.

We deny the protest.

The RFP, issued as part of a cost comparison under Office of Management and Budget Circular No. A-76, sought a contractor to operate 15 dining facilities located at Fort Dix. The services to be provided consist of supervision, administration, operation and sanitation of the dining facilities. The RFP provided detailed specifications for accounting and reporting functions, supply activities and quality control. Other tasks specified included requisitioning, receipt, handling, transportation, processing of foods, and the preparation, baking, cooking, packaging, serving and disposing of foods.

The RFP required that the technical and cost portions of the proposal be submitted in separate volumes, and provided a detailed statement of proposal format and content. Offerors were advised that technical evaluation factors were the following, listed in order of their relative importance and weight: comprehension of specification requirements; offeror's experience in food services and

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related support service; general management; organization and staffing; phase-in; and strike or other employee job action contingency plan.

Proposals were to be evaluated for technical acceptability and cost realism. Technical acceptability was ranked higher than attendant cost realism. The RFP provided that cost was not to be point scored, and that the submission of cost proposals either unreasonably high or unrealistically low in relation to the proposed work would result in rejection of the offer. The source selection evaluation board (SSEB) found that Rice's proposal contained numerous and critical omissions, that it was poorly written and that it needed substantial revision. The SSEB determined that Rice's cost proposal was "considerably understated." Based on these findings, the contracting officer determined that the proposal was not within the competitive range and would receive no further consideration because the proposal did not provide a comprehensive outline of the required contract functions contained in the performance work statement and had numerous critical technical shortfalls.

The SSEB evaluation reported that of 270 elements evaluated 136 were not addressed by Rice in its proposal, and that the responses for 88 of the remaining 134 elements were inadequate. The SSEB awarded 27.55 percent of possible points to Rice, which was significantly lower than the points awarded to the two offerors selected for negotiations, based on its view that it was difficult to determine how the contractor could meet the performance work statement (PWS) requirements.

The SSEB specifically found inadequate the discussion of food preparation and service techniques, sanitation, subsistence control and accountability and quality control. The SSEB also concluded that organization and staffing were insufficient to meet the PWS.

Rice argues that its technical and cost proposals were improperly evaluated. With regard to its technical proposal, Rice contends that it was improperly downgraded in the experience category despite the fact that it fully responded to the RFP, and has extensive experience in the type of food services needed at Fort Dix. Rice also argues that, contrary to the Army's statements, it fully addressed the statement of work and that its proposal provides

information concerning staffing, quality control, and sanitation elements the Army alleges it omitted or for which it was downgraded significantly.

The evaluation of technical proposals and the resulting determination as to whether an offeror is in the competitive range is a matter within the discretion of the contracting activity, since it is responsible for defining its needs and the best method of accommodating them. Generally, offers that are technically unacceptable as submitted and would require major revisions to become acceptable are not for inclusion in the competitive range. See Essex Electro Engineers, Inc.; ACL-Filco Corp., B-211053.2, B-211053.3, Jan. 17, 1984, 84-1 C.P.D. ¶ 74; Syscon Corp., B-208882, Mar. 31, 1983, 83-1 C.P.D. ¶ 335.

Further, we have repeatedly held that, in reviewing an agency's technical evaluation, we will not evaluate the proposal de novo, but instead will only examine the agency's evaluation to ensure that it had a reasonable basis. Essex Electro Engineers, Inc.; ACL-Filco Corp., B-211053.2, B-211053.3, supra, 84-1 C.P.D. ¶ 74 at 4; Syscon Corp., B-208882, supra, 83-1 C.P.D. ¶ 335 at 2; Decilog, B-198614, Sept. 3, 1980, 80-2 C.P.D. ¶ 169. In addition, the protester bears the burden of showing the agency's evaluation was unreasonable. Essex Electro Engineers, Inc.; ACL-Filco Corp., B-211053.2, B-211053.3, supra, 84-1 C.P.D. ¶ 74 at 4.

We find that the Army's technical evaluation of Rice's proposal and exclusion of it from the competitive range was reasonable. The proposal failed to discuss a significant number of elements; and this alone would support the contracting officer's conclusion that there was "extreme doubt as to [Rice] considering them, or if having done so [that Rice] subsequently failed to attach appropriate significance thereto." The most important technical evaluation factor listed was "comprehension of specification requirements" which provided:

" . . . your proposal must provide evidence that you recognize the scope of services that you will be required to provide under the proposed contract. Explain work control methods, interaction between organization elements, and demonstrate your understanding of applicable methodology that would be required to satisfy the RFP requirements."

In view of the significance of this factor, the exclusion of a proposal which fails to discuss or address 50 percent of the task elements from the competitive range is not unreasonable. See Potomac Scheduling Co.; Axxa Corp., B-213927, B-213927.2, Aug. 13, 1984; 84-2 C.P.D. ¶ 162; Essex Electro Engineers, Inc.; ALC-Filco Corp., B-211053.2; B-211053.3, supra.

Rice disputes the Army's contention that elements of sanitation, quality control, and the establishment of non-smoking areas, for example, were not addressed in detail by Rice. Rice contends that an inspection checklist for food service operations covered all elements supposedly omitted.

The proposal states that the checklist is part of Rice's proposal to ensure quality control and the checklists are for conducting of inspections. The checklist contains 27 pages of questions to be asked in performing inspections. For example, two questions relate to nonsmoking areas:

" . . . are no smoking signs displayed in those areas where smoking is restricted?

"Are these signs attractive if used?"

The specification for nonsmoking areas provides:

"The contractor shall post and maintain Government-furnished signs in place on tables or in areas designated by the contracting officer for smokers and nonsmokers."

We fail to see how the inspection questions which are part of the offeror's quality control proposal and presuppose that the offeror will meet the above requirement show how the requirement will be met in accordance with the comprehension of specification requirements factor.

Also, as another example, we do not think that the questions in the inspection list, which covers the inspection for uniforms compliance with the sanitation specification, substitutes for a statement of how the offeror proposes to meet the detailed contract requirement for clean uniforms. These specifications require, for example, freshly laundered, well-fitting and color coordinated uniforms, but also provide precise requirements for

each type of worker. The checklist questions do not demonstrate that Rice understood and would meet all the varied uniform requirements.

Finally, Rice argues the checklist shows how Rice would handle leftovers. The inspection checklist asks questions: are leftovers covered? are leftovers covered properly? and are leftovers used within the authorized timeframe? We agree with the Army that these questions do not comprehensively explain how the leftovers are to be handled as contemplated by the work statements. For example, there is no discussion of the requirements in the work statement that leftovers be kept to a minimum, or for discarding of uncovered items, or recognition of the different handling of hot item leftovers and cold item leftovers. The inspection checklist does not in any way provide a basis for the Army to evaluate Rice's proposed procedures for meeting the leftover specifications.

In short, the checklist does not, in our view, remedy the omissions and inadequate discussion of many specification items. Based on this record, we find the Army's conclusion that Rice's proposal was deficient to be reasonable.

Rice contends it fully addressed its prior experience, the second most important factor of evaluation under the RFP. The RFP requested a general statement of the firm's background for the past 5 years pertinent to performance of this contract; a statement of overall experience in operation and maintenance of the same scope or size, and a list of related technical experience. The record indicates that Rice received 80 percent of the points possible for its background statement, but lost significant points under the latter two experience subfactors. Concerning overall experience, the SSEB found that, while Rice showed considerable experience in food preparation and presentation, sanitation, subsistence and quality control experience were not addressed in sufficient detail, and experience in maintenance, portion control and recipes were not discussed. Further, the SSEB determined that Rice did not have any experience related to food service such as warehousing. Thus, in effect, while Rice's background statement was scored high, it was rated low on the other two experience subfactors and this offset its high rating for general background. We find nothing improper in the Army's evaluation of experience.

With regard to Rice's cost proposal, this Office has held that where a proposal is properly rejected as technically unacceptable, the cost proposed by the offeror is irrelevant as the proposal cannot be considered for award. Logicon, Inc., B-196105, Mar. 25, 1980, 80-1 C.P.D. ¶ 218.

The protest is denied.

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General Counsel