



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Homequity, Inc.
File: B-223997
Date: December 19, 1986

DIGEST

1. Where a firm's past experience in providing the required residential relocation services is an evaluation factor, the contracting agency properly may consider the cumulative experience of a new firm's key personnel as offsetting the firm's inexperience.
2. Protest that the award of a relocation services contract to a new firm was inconsistent with the stated evaluation scheme weighting technical merit and experience more important than price is without merit where the evaluation was reasonable and consistent with the evaluation scheme's statement that price would increase in importance with the degree of technical equality between proposals, and would become more important than experience.
3. New bases of protest raised in the protester's comments on the contracting agency's report must independently satisfy Bid Protest Regulations' timeliness requirements to be considered on the merits.

DECISION

Homequity, Inc., protests the award of a contract to Professional Relocation Group (PRG) under request for proposals (RFP) No. 5M-5385, issued by the United States Marshals Service, Department of Justice. The contract is a fixed-price requirements contract to provide employee relocation services. Although PRG submitted the lowest price, Homequity points out that technical merit and experience were more important than price under the RFP's evaluation method, and basically argues that PRG's experience with residential relocations is so limited that the award to PRG was inconsistent with that method.

We deny the protest in part and we dismiss it in part.

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Solicitation and Evaluation

The RFP listed three major evaluation factors, in descending order of importance: (1) Technical; (2) Organization and Experience; and (3) Cost. Offerors were advised that the closer the proposals were under the Technical factor, the more important Cost would become and the less important Experience would be.

The Technical factor included three subfactors, the first of which involved the offeror's understanding of the volatility of the current real estate market and the offeror's approach to providing effective relocation services and controlling costs. The other subfactors concerned a demonstration of the proposed program's effectiveness and of how the offered services would be advantageous in terms of the Marshals Service's particular needs.

There were six subfactors under Organization and Experience, of which four related directly to prior experience:

"(a) Offeror must show the firm's previous experience and organizational managerial capabilities in the relocation management field is satisfactory for meeting the United States Marshals Service's needs.

"(b) Offeror must demonstrate extensive experience in providing relocation services similar to those required by the United States Marshals Service and illustrate experience in the development of new services.

"(c) Offeror must show that its proposed services, organization and experience will best serve the United States Marshals Service's relocation management requirement.

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"(f) The offeror must provide resumes of key personnel that contain information necessary to ascertain that experience levels meet or exceed the qualifications indicated in this RFP."

The other two subfactors dealt with the offeror's quality assurance controls.

Cost was listed an evaluation factor under which, in addition to price, the agency would evaluate whether the offeror's projected costs were reasonable and indicated that the offeror understood the nature and the scope of the work.

The RFP required offerors to submit pertinent data for an evaluation applying these factors. For example, regarding Experience, offerors were required to include a performance history for 1984 and 1985, a complete list of current relocation service clients for references, and resumes of key personnel.

The agency used an evaluation formula that assigned relative weights of 100 to Technical, 80 to Organization and Experience, and 70 to Cost. For purposes of the formula, the lowest priced proposal was assigned the maximum 70 points for Cost, and each other proposal was assigned an amount less than 70 points in proportion to the amount its offered price exceeded the lowest priced proposal.

The ranking of PRG's and Homequity's proposals, after discussions and best and final offers, was as follows:

	Technical	Organization/ Experience	Cost	Total
PRG	94	76	66.72	236.72
Homequity	100	78	44.18	222.18

There were three other offerors, all of which were ranked lower on the first two factors, while the lowest priced proposal (\$3,769,875) was ranked second overall. The evaluated prices of PRG and Homequity were \$3,955,100 and \$5,973,675, respectively.

Protest and Discussion

The protester points out that PRG is a relative newcomer to the residential relocation industry, having begun those services in 1985 (initial proposals were submitted on February 19, 1986). The protester argues that PRG therefore should have been substantially downgraded under the Organization and Experience factor relative to Homequity, which has been providing residential relocation services for more than 30 years. In addition, the protester alleges that PRG proposed a lower commission for the purchase and resale of residential property based on quantitatively insufficient data for the short period during which PRG actually had done residential relocations. The data basically involved the average time to accomplish the resale of residences purchased by PRG incident to the relocation. That time is less than the industry average.

The evaluation of proposals is the function of the contracting agency, and our review is limited to determining whether the evaluation was fair, reasonable, and in compliance with procurement laws and regulations. See TEK, J.V. Morrison-Knudsen/Harnischfeger, B-221320, et al., Apr. 15, 1986, 86-1 CPD ¶ 365. Selection officials have the discretion to make determinations regarding cost/technical tradeoffs, and the extent to which one factor may be sacrificed for the other is governed only by the tests of rationality and consistency with the established evaluation factors. Thus, even where cost is the least important factor, we will not object to an award to a lower priced, lower technically ranked offeror where the agency reasonably determined that the cost premium involved in making award to the higher priced, higher technically ranked offeror is not justified. Id.

Our review of the record reveals that the Marshals Service's evaluation committee took notice of PRG's newness to residential relocation, and considered whether the demonstrated cumulative experience of PRG's proposed key personnel compensated for it. The resumes of the key personnel state considerable experience in residential relocations, from which the committee evidently was satisfied that the key personnel's experience partially offset the firm's inexperience, since the committee scored PRG's proposal 11 points out of a possible 15 for Organization and Experience subfactor (a), quoted above. In this respect, an agency properly may consider the cumulative experience of personnel when evaluating corporate experience. Service Ventures, Inc., B-221261, Apr. 16, 1986, 86-1 CPD ¶ 371. Further, we note that PRG's proposal did not receive as high a score as the protester's proposal, which received the maximum 15 points, under this subfactor. We have no basis to conclude the evaluation of this subfactor was unreasonable.

Under Organization and Experience subfactor (b), requiring the demonstration of extensive experience providing similar relocation management services, both PRG and the protester received the maximum 15 points. For this factor, PRG's proposal listed several corporate clients, not necessarily involving residential relocation services, in addition to the experience of its personnel. While Homequity disagrees with the agency's evaluation of the offerors' relative experience, Homequity's view of PRG's capabilities is not a legal basis for our Office to say that the agency's satisfaction with PRG's offer in this regard was unreasonable. Moreover, we point out that there was almost a 15-point difference between

the overall scores of PRG and the protester, so that even if PRG was downgraded under this subfactor, it would not necessarily have affected the outcome of the procurement. There is no indication the agency unreasonably determined that PRG's personnel were well-qualified or that PRG was well-suited to meet the agency's relocation management requirement.

As stated above, the protester also generally challenges the scoring of PRG's proposal on the basis of PRG's submission of quantitatively deficient sales data regarding its prior sales experience. The protester points out that since PRG's data did not identify the volume of sales upon which the data was based, it could have been based on only one sale, and the agency did not require PRG to substantiate its data during discussions. We therefore view the basic question to be whether the agency's failure to require PRG to substantiate its data invalidated the evaluation, and if not, whether a reasonable basis exists for PRG's selection for award notwithstanding a possible lack of sufficient quantitative data to substantiate its sales data.

Although it might have been prudent to ask PRG for the sales volume on which its data was based in order to evaluate the reliability of the data, we decline to view the agency's failure to do so as effectively rendering the evaluation arbitrary. The agency reasonably regarded the sales data by itself as having some value, and in light of the agency's overall satisfaction with PRG's technical understanding and approach, as well as the more than \$2 million cost savings the offer represented, the overall evaluation was reasonable. This is especially so in light of the RFP language advising that Cost would increase in importance with the equality between proposals under the Technical factor and that Cost would become more important than Experience.

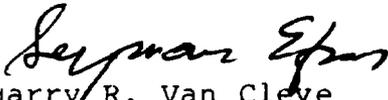
The protester also contends that the Marshals Service failed to consider that PRG likely would be unable to perform the contract at its offered price. To the extent that this consideration was an evaluation concern under the Technical and Cost factors, the agency noted that PRG's prices were comparable to other government contracts for similar services and determined they reflected an understanding of the work.^{1/} The

^{1/} To the extent this allegation does not involve the evaluation factors, it involves the Marshals Service decision that PRG is responsible, which we will not question absent a showing of possible fraud or bad faith by procuring officials or that the RFP contained definitive responsibility criteria that were not met. Ridge, Inc., B-222481, June 24, 1986, 65 Comp. Gen. _____, 86-1 CPD ¶ 583. The protester does not allege fraud or bad faith, and the experience subfactors do not involve definitive responsibility criteria. See Nations, Inc., B-220935.2, Feb. 26, 1986, 86-1 CPD ¶ 203.

agency further noted that PRG's price was not the lowest price submitted by an offeror in the competitive range, and that PRG had the financial backing of its parent corporation, Household Bank, which extended it a \$10 million line of credit. On this record, we think the agency had a proper basis to evaluate PRG as being financially capable of performing the contract.

Lastly, we note that in its comments on the agency's protest report, which included a copy of PRG's proposal, Homequity alleged several instances where PRG's proposal failed to conform with requirements of the RFP. These comments were filed more than 8 weeks after the initial protest. To invoke our review, these allegations must independently satisfy our timeliness requirements, which require the filing of a protest within 10 working days after the basis of protest was known or should have been known, whichever is earlier. 4 C.F.R. § 21.2(a)(2) (1986). Protesters have a duty to diligently pursue information that reasonably would be expected to reveal additional bases of protest, and not merely await the agency report. Sun Enterprises, B-221438.2, Apr. 18, 1986, 86-1 CPD ¶ 384. In the absence of any indication that the protester diligently sought a copy of PRG's proposal or contract after learning of the initial bases for protest, we consider these later-raised issues to be untimely. Arndt & Arndt, B-223473, Sept. 16, 1986, 86-2 CPD ¶ 307. --

The protest is denied in part and dismissed in part.

for 
Harry R. Van Cleve
General Counsel