



The Comptroller General  
of the United States

Washington, D.C. 20548

## Decision

**Matter of:** McShade Government Contracting Services

**File:** B-232977

**Date:** February 6, 1989

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### DIGEST

In negotiated procurements, the government is not required to make award to the firm offering the lowest cost where solicitation does not state that award will be made on that basis, but instead provides that award will be made to the offeror whose proposal is most advantageous to the government, price and other factors considered.

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### DECISION

McShade Government Contracting Services protests the award of a contract to Management Alternatives Inc., by the Department of the Air Force under request for proposals (RFP) No. F49642-88-R-0119. The RFP contemplated award of a fixed-price contract to provide a plan for the Air Force-wide implementation of competitive contracting for commercial travel management services. McShade protests that the Air Force improperly failed to follow the RFP evaluation criteria in evaluating proposals and that McShade should have received the award as the lowest cost, technically acceptable offeror.

We deny the protest.

The RFP provided that the selection of the successful offeror would be made on the basis of an integrated assessment of criteria designed to determine which proposal was the most advantageous to the government, price and other factors considered. The RFP specifically provided that the government reserved the right to award a contract to other than the lowest offeror. Offerors were required to submit separate technical and cost proposals which would be given equal consideration in the overall evaluation. The stated

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evaluation criteria of the technical evaluation were:  
(1) staff capability, (2) management capability, and  
(3) experience and past performance.

The Air Force received seven proposals by the RFP's closing date. After the initial evaluation of technical proposals, the contracting officer determined that all seven offerors were within the competitive range, with McShade's technical proposal ranked fourth of these seven. The agency then evaluated the offerors' cost proposals for accuracy, reasonableness, realism and risk. Written discussions, limited to cost deficiencies, were held with all offerors. As a result of these discussions, revised cost proposals were received and evaluated. All were found to be reasonable and realistic. Three offerors, including MAI, received blue (exceptional) technical ratings with point scores ranging from 25 to 29 points on a 30 point scale. Of these three offerors, MAI, who received 28 points, offered the lowest fixed price--\$142,360. Two offerors, including McShade, received green (acceptable) technical ratings. McShade, who was the fourth rated offeror with 19 points, offered the lowest price of \$89,202.33.

The contracting officer apparently adopted the technical evaluation. She states she selected MAI for award since it offered the lowest price of the top technically ranked offerors and its price was realistic as compared to the government estimate. Consequently, she made award to MAI on September 19, 1988.

On September 30, McShade filed this protest. Since the protest was filed more than 10 calendar days after award, the agency elected not to suspend performance. See Federal Acquisition Regulation § 33.104(c)(5).

McShade essentially questions the reasonableness of the price/technical tradeoff made by the agency in selecting MAI's higher rated but substantially more expensive proposal. According to the protester, the award clause in the RFP indicated that the factors used in determining acceptability for this acquisition were to be given equal consideration. On that basis, McShade contends that since its technical proposal was accepted "without qualifications" and since it was the low offeror, its overall offer was more advantageous than MAI's, thus entitling it to contract award. The protester also argues that MAI's proposal should not have been included in the competitive range because its price was not fair or reasonable.

As the agency points out, the RFP did not provide for award on the basis of lowest price. We have consistently recognized that in a negotiated procurement, there is no requirement that award be made on the basis of lowest cost unless the RFP in fact specifies that price will be the determinative factor. See Frequency Engineering Laboratories Corp., B-225606, Apr. 9, 1987, 87-1 CPD ¶ 392. Here, the RFP stated that the offer representing the best combination of technical merit and price would be selected for award. Thus, the contracting officer had the discretion to determine whether the technical advantage associated with MAI's proposal was worth its higher price. This discretion existed notwithstanding the fact that price was to be given equal consideration as an evaluation factor. Id.

Agency officials have broad discretion in determining the manner and extent to which they will make use of the technical and cost evaluation results. Thus, cost/technical tradeoffs may be made subject only to the test of rationality and consistency with the established evaluation factors. Frequency Engineering Laboratories Corp., B-225606, supra. Moreover, where, as here, a source selection official does not specifically discuss the technical/price tradeoff in the selection decision document, this does not affect the validity of the decision if the record shows that the agency, in consideration of the relative technical merit of the awardee's and the low-priced protester's proposals, reasonably decided that the higher priced awardee's proposal was worth the additional cost. Unidynamics/St. Louis, Inc., B-232295, Dec. 21, 1988, 88-2 CPD ¶ \_\_\_\_; Federal Electric International, Inc., B-232295.2, Dec. 21, 1988, 88-2 CPD ¶ \_\_\_\_.


In this case, the Air Force evaluators found that, although McShade's proposal was technically acceptable, the offer had some weaknesses. For example, all evaluators rated McShade's experience and past performance, one of the three technical evaluation criteria, unsatisfactory. Also, in the area of technical staff capability, one evaluator noted that McShade's "company wide" experience and qualifications were lacking. While the evaluation report concluded that McShade's technical proposal was acceptable, MAI's technical proposal was clearly considered to be significantly superior. MAI was found to have considerable experience in travel management services; its technical staff were considered particularly well qualified and its management ability was considered very good.

We note that in the RFP Statement of Work the contractor was required to have a "proven track record of providing consulting services to industry or Government agencies

regarding the use of commercial travel management services." In view of the emphasis which the Air Force placed on knowledge of government and industry contracting methodologies for travel management services, which directly relates to experience and past performance, the contracting officer reasonably found that MAI's higher priced proposal was more advantageous, given the relative deficiencies in McShade's proposal.

Finally, the protester maintains that MAI's fixed-price offer was so high in comparison to its own that MAI's price was not fair or reasonable, such that MAI's proposal should not have been included in the competitive range. However, based on the record before us and the lack of specific reasons from the protester for its disagreement with the agency's judgment that MAI's price was fair and reasonable, we have no grounds upon which to disagree with the agency's determination that MAI's proposal had a reasonable chance of being selected for award. In this regard, the seven offerors' prices ranged from \$89,202 to \$272,527 and, as noted previously, all were determined fair and reasonable. See Systems Integrated, B-225055, Feb. 4, 1987, 87-1 CPD ¶ 114.

The protest is denied.

  
for James F. Hinchman  
General Counsel