



Comptroller General
of the United States

Washington, D.C. 20548

L. Glass

Decision

Matter of: Bendix Field Engineering Corporation

File: B-241156

Date: January 16, 1991

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interested parties.

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Golden, Esq., Office of the General Counsel, GAO, participated
in the preparation of the decision.

DIGEST

1. Award of a cost-reimbursement contract to a higher-cost,
technically superior offeror is not objectionable where award
on that basis is consistent with the solicitation evaluation
criteria and the agency reasonably determined that the
difference in technical merit was sufficiently significant to
justify cost difference.

2. Where technical evaluation scheme in request for proposals
sets forth prior performance as an evaluation factor and
agency evaluates it using information obtained by the agency
through contact of references furnished by the protester,
agency is not required to permit protester to rebut that
information since it is historical in nature, and protester
thus is generally unlikely to be able to make a significant
contribution to its interpretation.

3. Agency's use of broad adjectival scoring scheme
(consisting of four categories) supported by narrative
assessment of proposal advantages and disadvantages was not
improper where agency was able to gain a clear understanding
of the relative merit of proposal.

4. An agency is not required to equalize competition for a
particular procurement by considering the competitive
advantage accruing to an offeror due to its incumbent status
provided that such advantage is not the result of preferential
or unfair government action.

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DECISION

Bendix Field Engineering Corporation protests the award of a cost-plus-award-fee contract to GTE/Mantech Joint Venture under request for proposals (RFP) No. F41621-90-R5000, issued by the Department of the Air Force, Electronic Security Command, for maintenance and engineering support services for the LADYLOVE system consisting of electronic and communication equipment at Misawa Air Force Base, Japan. Bendix basically contends that the award to a higher-cost offeror was improper because Bendix's proposal was improperly evaluated and the agency did not make a proper cost/technical tradeoff decision. Bendix also contends that the agency in its evaluation overemphasized GTE/Mantech's incumbent status.^{1/}

We deny the protest.

The RFP contemplated the award of a cost-plus-award fee contract for a base year and four 1-year options. Award was to be made on the basis of the most advantageous offer based on four major evaluation factors listed in the solicitation in descending order of importance--personnel, technical approach, management, and past performance. Offerors were advised that cost was considerably less important than technical factors and was not expected to be the controlling factor in the selection process. The RFP further provided that cost would be evaluated for completeness, reasonableness, and realism and that a risk factor would be assigned to each cost proposal.

Four offers were received by the closing date of April 3, 1990. After the initial evaluation, all offerors were determined to be within the competitive range and discussions were held. After discussions, revised proposals were submitted and evaluated. On August 6, best and final offers (BAFOs) were requested with a closing date of August 13.

The BAFOs received were evaluated using a color rating of blue (exceptional), green (acceptable), yellow (marginal), and red (unacceptable). These color ratings were given for both the major technical evaluation factors and their subfactors. The color ratings were also generally supported by narrative evaluations reflecting the strengths, weaknesses, and risks of each proposal with respect to each major factor. GTE/Mantech, was rated technically exceptional (blue) in three of the four technical evaluation factors (personnel, technical approach, and past performance) and acceptable (green) in the management factor. Bendix was rated technically acceptable (green) in

^{1/} The GTE/Mantech team included a member who was the incumbent under the previous contract.

all four factors. The evaluators found that GTE/Mantech, with an overall rating of exceptional, was the most advantageous offeror. Specifically, GTE/Mantech was determined to be superior in personnel qualifications and availability, technical approach, and past performance and its offer was considered to be virtually risk-free. On the other hand, Bendix, which offered a lower cost, was determined to be overall technically very good and capable of meeting the standards, although the evaluators considered Bendix's phase-in plan to be risky.

The results of the final proposal evaluation were presented to the source selection authority (SSA). The SSA found that giving the appropriate consideration to the evaluation criteria set forth in the RFP and the relative weights, GTE/Mantech's proposal represented the best overall value to the government. The SSA stated that while all proposals in the competitive range were adequate when measured against the evaluation criteria, the GTE/Mantech proposal offered a significantly superior approach in the areas of technical, personnel and management and that its past performance on LADYLOVE provided further evidence that its technical approach was excellent. The SSA further stated that although GTE/Mantech's cost was not the lowest, its technical superiority more than offset the 24 percent difference in cost. GTE/Mantech was awarded the contract on September 4. This protest was filed on September 14.

Bendix essentially objects to the award to GTE/Mantech at a higher price. Bendix questions whether the color code rating technique accurately reflected the technical ratings of subfactors or the assessment of risks. Bendix also maintains that the agency improperly took into consideration cost overruns in the evaluation of its past performance and gave undue credit to GTE/Mantech merely for its status as the incumbent.

Regarding the agency's evaluation of technical proposals, we will examine such evaluations to insure that they are reasonable and consistent with the evaluation criteria. See Wellington Assocs., Inc., B-228168.2, Jan. 28, 1988, 88-1 CPD ¶ 85. The fact that the protester disagrees with the agency does not itself render the evaluation unreasonable. ESCO, Inc., 66 Comp. Gen. 404 (1987), 87-1 CPD ¶ 450. Further, in a negotiated procurement, there is no requirement that award be made on the basis of lowest cost unless the RFP so specifies. Spectra Technology, Inc.; Westinghouse Elec. Corp., B-232565; B-232565.2, Jan. 10, 1989, 89-1 CPD ¶ 23. Cost/technical tradeoffs may be made, and the extent to which one may be sacrificed for the other is governed only by the test of rationality and consistency with the established evaluation

factors. Grey Advertising, Inc., 55 Comp. Gen. 1111 (1976), 76-1 CPD ¶ 325. Awards to offerors with higher technical scores and higher costs are proper so long as the result is consistent with the evaluation criteria and the procuring agency has determined that the technical difference is sufficiently significant to outweigh the cost difference. University of Dayton Research Inst., B-227115, Aug. 19, 1987, 87-2 CPD ¶ 178.

Here, we find that the Air Force had a reasonable basis in justifying the award to GTE/Mantech at its higher cost. The record shows that the services to be performed under this solicitation are of a highly technical nature and that the RFP provided that cost was considerably less important than technical. The record shows that the Air Force found GTE/Mantech's proposal to be technically superior to Bendix's proposal especially in the areas of personnel, technical and past performance.

With regard to personnel, the most important factor, the record shows that GTE/Mantech was rated exceptional because its proposed team possessed an extremely high degree of balanced expertise, capability and familiarity with the specific effort and Air Force/Electronic Security Command Methods. GTE/Mantech's proposed supervisors, technicians and engineers had extensive formal training and in-depth expertise on LADYLOVE subsystems. The Air Force found that GTE/Mantech's current site management recognized the special needs at the overseas location and were capable of effectively managing its human resources in a manner that facilitated the mission best and was cost-effective to the government. According to the Air Force, GTE/Mantech's proposed personnel exceeded standard qualifications as well as availability and presented virtually no risk. While Bendix was rated acceptable in personnel because the agency determined that Bendix could accommodate the requirement due to qualifications which were sound, thorough, and clear, the agency was concerned that only three of Bendix's proposed site personnel had company overseas experience. Further, Bendix's expertise was in similar type subsystems and not on the peculiarities of the LADYLOVE systems. The agency also felt that Bendix's proposed use of incumbent personnel for almost half its staff presented a risk. Additionally, the first 60 days of the contract period of Bendix's proposed phase-in plan was considered deficient.

With regard to technical approach, GTE/Mantech was rated excellent with a minimal risk factor. The record shows that GTE/Mantech proposed detailed procedures and day-to-day plans that, when implemented, would ensure a solid out-year support for all LADYLOVE maintenance and engineering requirements that far exceed the basic requirements. For example, GTE/Mantech

proposed "workarounds" to minimize mission loss and its proposed "straight shift" offered the optimum coverage at least possible risk. GTE/Mantech's maintenance task breakdown was very detailed and portrayed an intricate knowledge of LADYLOVE requirements. GTE/Mantech proposed to undertake several self-developed initiatives to track man-hours and scheduled and unscheduled maintenance actions. GTE/Mantech also proposed to provide operator training on the applications of the new and/or upgraded software. With respect to technical approach, Bendix was rated acceptable with a low risk factor. The agency found that Bendix exhibited a good understanding of the RFP requirements, but Bendix's proposal did not demonstrate as intimate a knowledge of the LADYLOVE mission compared to GTE/Mantech's.

With regard to past performance, the agency verified past performance through references provided by the offerors on projects similar in nature to LADYLOVE. GTE/Mantech was rated excellent because of its "outstanding" performance on LADYLOVE and its ability to consistently perform within cost. Bendix was rated acceptable because the agency determined that, because of its outstanding history of past performance in similar efforts, Bendix was capable of satisfying the general technical and scheduling requirements of LADYLOVE. However, one of Bendix's references indicated that Bendix had a cost overrun every year since contract award.

In short, the record shows that the agency reasonably found GTE/Mantech to be superior in personnel qualifications and availability, technical approach, and past performance and as virtually risk free. While Bendix was rated technically very good, its staffing was not comparable to that of GTE/Mantech and it lacked direct prior experience. GTE/Mantech's proposal demonstrated a "mission oriented" approach and contained numerous detailed plans for maintaining and upgrading the LADYLOVE program not proposed by Bendix.

As stated above, Bendix also questions whether the color ratings were developed in a reasonable manner and questions whether all ratings were accompanied by a consistent narrative assessment. For example, Bendix states that for certain subfactors it received green (acceptable) ratings when the narrative assessment used such words as "sound," "excellent," and "thoroughly satisfy standards."

Adjectival ratings, like numerical point scores, when used for proposal evaluation, are useful only as guides to intelligent decision-making, and are not generally controlling for award because they often reflect the disparate, subjective judgments of the evaluators. See generally Ferguson-Williams, Inc., B-231827, Oct. 12, 1988, 88-2 CPD ¶ 344.

Our review of the record shows nothing to support an inference that the use of the color adjectival rating scheme prevented the agency from gaining a clear understanding of the relative merits of proposals. Notwithstanding the agency's use of the words "excellent" and "sound" to describe Bendix proposed approach, it is clear from the record that the agency throughout the evaluation process viewed GTE/Mantech to be excellent technically and superior to all other offerors. In fact, Bendix was ranked third technically out of the four offers received. As previously stated, under the evaluation factor, technical approach, Bendix received an overall green rating. This was based on a breakdown of five green subfactors and three blue subfactors. This determination appears reasonable and consistent with the evaluation criteria.

Next, Bendix asserts that the agency in evaluating past performance improperly took into consideration its cost overrun on a similar contract. Bendix maintains that under past performance the solicitation listed only two subfactors, technical performance and schedule performance. Bendix maintains that there was no subfactor for "cost management" or "cost containment."

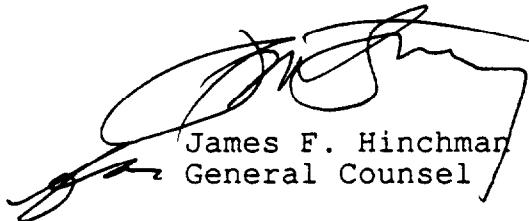
Although cost management was not a stated evaluation factor under past performance, we believe that, where, as here, the agency is contemplating the award of a cost-type contract, cost management is reasonably related to the evaluation of past performance, since the agency is responsible for all costs incurred by the contractor in performing the contract. We will not object to the use of evaluation factors not specifically stated in the RFP where they are reasonably related to the specified criteria. See Consolidated Group, B-220050, Jan. 9, 1986, 86-1 CPD ¶ 21. Since the element of cost management is clearly related to the evaluation of past performance on similar contracts, we find nothing improper in the Air Force taking into consideration Bendix's cost overrun under a similar contract. Further, there is no evidence that the agency placed undue emphasis on cost in its evaluation. Past performance was the least important evaluation factor, and Bendix, like all other offerors, except GTE/Mantech, was rated acceptable under past performance.

Bendix argues that this issue should have been raised during discussions or that the agency should have contacted the party actually responsible for administering the contract. Where, as part of the technical evaluation of offers, offerors have been required to furnish references on prior experience and are aware that these references may be contacted, the contracting agency may consider the replies of the references without being required to seek the offeror's comments concerning the information. We view this information as

essentially historical in nature, and the protester is generally unlikely to be able to make a significant contribution to its interpretation. See Saturn Constr. Co., Inc., B-236209, Nov. 16, 1989, 89-2 CPD ¶ 467. The agency contacted the designated point of contact as provided by Bendix. As previously stated the agency's evaluation in this area was not unreasonable. Bendix was rated acceptable under past performance but just was not judged to be as superior as GTE/ManTech.

Finally, with respect to Bendix's allegations concerning GTE/ManTech's position as an incumbent, we do not think that it was improper for the agency to consider in the evaluation GTE/Mantech's specific experience performing the requirement. We have recognized that incumbent contractors with good performance records can offer real advantages to the government and that those advantages may properly be considered in proposal evaluation. Institute of Modern Procedures, Inc., B-236964, Jan. 23, 1990, 90-1 CPD ¶ 93; PECO Enters., Inc., B-232307, Oct. 27, 1988, 88-2 CPD ¶ 398. An agency is not required to equalize competition with respect to these advantages so long as the advantages do not result from preferential or unfair action by the government. Wolf, Block, Schonr & Solis-Cohen, B-221363.2, May 28, 1986, 86-1 CPD ¶ 491.

The protest is denied.



James F. Hinchman
General Counsel