



Comptroller General
of the United States
Washington, D.C. 20548

Decision

Matter of: Sunbelt Properties, Inc.
File: B-245729.3
Date: March 12, 1992

John Powell Walker for the protester,
Michael D. Weaver, Esq., Department of Housing and Urban
Development, for the agency,
Mary G. Curcio, Esq., and Andrew T. Pogany, Esq., Office of
the General Counsel, GAO, participated in the preparation of
the decision.

DIGEST

Offer was properly excluded from the competitive range where
the procuring agency reasonably concluded that the offeror
had no reasonable chance of award because the offeror's
proposal did not include necessary information to demon-
strate that the offeror could perform the contract for real
estate management services.

DECISION

Sunbelt Properties, Inc. protests the elimination from the
competitive range of the proposal it submitted in response
to request for proposals (RFP) No. 39-91-117, issued by the
Department of Housing and Urban Development (HUD) for real
estate asset management services.

We deny the protest.

The RFP was issued on May 15, 1991, for real estate manage-
ment of properties owned by or in the custody of HUD in the
Oklahoma City Metroplex area. The solicitation listed
40 services the successful contractor would have to perform,
such as inspecting properties, ascertaining repairs to be
made, obtaining repair bids, determining fair market rental
values, executing leases, and selling properties.

The solicitation advised offerors that the evaluation would
be based upon the completeness and thoroughness of the
proposals submitted. The contract was to be awarded to the
responsible offeror whose offer conformed to the solicita-
tion and was most advantageous to the government. The RFP
also provided that technical factors were worth more than
cost in the award decision. The RFP provided that proposals

would be evaluated using the following evaluation criteria: (1) demonstrated experience in the management of single-family properties similar to and in the general area as those covered by this solicitation; (2) demonstrated experience in soliciting repair bids, coordinating and overseeing repair work and inspecting for satisfactory work completion; (3) demonstrated experience in managing a rental program, including establishing fair market rentals and collections from present and former tenants, for single-family properties; (4) understanding of HUD objectives and the required tasks as specified in the solicitation; and (5) evidence of an adequately staffed, trained, and equipped office (or the ability to establish such) reasonably located so as to provide convenient service to HUD and its clients in the area to be served, and to carry out all duties specified in the solicitation.

On July 9, 1991, the closing date for the receipt of offers, HUD received 15 proposals. An evaluation board reviewed the technical proposals and submitted a score for each offeror to the contracting officer and a recommendation concerning what proposals to include in the competitive range. The technical evaluation panel rated Sunbelt's proposal, as meriting 25 of 100 maximum points, essentially finding that the protester did not provide sufficient information under any of the evaluation factors. The contracting officer reviewed the technical evaluation and each offeror's proposed price. Based on this review, he found that eight proposals, including the protester, should be eliminated from the competitive range because they did not have a reasonable chance of being selected for award. Sunbelt initially protested the decision to eliminate its proposal from the competitive range to the procuring agency. After the agency denied the protest, Sunbelt protested to our Office.

Offerors are responsible for preparing their proposals in a manner which establishes that what is offered will best meet the government's needs and that the offeror is the most qualified to do so. Agencies are not obligated to search out information or qualifications that an offeror may have omitted from its proposal. Where an offeror fails to furnish sufficient information in its proposal to establish its technical acceptability, the agency can reasonably conclude that the offer is technically unacceptable and exclude it from the competitive range. See Inter-Con Sec. Sys., Inc., B-235248; B-235248.2, Aug. 17, 1989, 89-2 CPD ¶ 148.

We have reviewed Sunbelt's proposal and the agency's evaluation of that proposal. Based on this review, we find that the agency's evaluation of the proposal was reasonable. In short, we agree with HUD that Sunbelt did not provide

sufficient details to demonstrate its ability to perform the contract. In reaching this conclusion, we have reviewed the entire protest file and the agency's evaluation of Sunbelt's proposal for each evaluation factor. However, we limit our discussion to three major evaluation factors.

Evaluation factor one required offerors to have demonstrated experience in the management of single-family properties similar to and in the general area as those covered by the solicitation. In its brief proposal, Sunbelt simply stated that during the past 19 months it was the area management broker (AMB) for HUD area XIII in the Oklahoma City area and that, during that time, it sold more than 135 homes representing in excess of \$6,500,000 from HUD's active inventory. Sunbelt also stated that the average time from the date it acquires a property to the date a sale is closed is approximately 135 days, which is less than HUD's area-wide average of 180 days. Finally, Sunbelt stated that during the same time period, it managed for its own account other rental properties.

The evaluation board determined that the information provided by Sunbelt did not demonstrate experience in the management of single-family properties. The evaluation board found the strength of the proposal was that the offeror had been a HUD AMB since January 1990. However, Sunbelt did not provide details of its experience regarding the extent of actual work performed. For this reason, the evaluation board credited Sunbelt with its experience as a HUD AMB but only assigned Sunbelt 17 out of 30 points.

Sunbelt disputes this evaluation and asserts that it did provide details of its management experience. Our review shows that Sunbelt only provided data concerning the number of properties it sold and the total dollar value of that inventory. Sunbelt also indicated the number of properties it manages for its own account. Sunbelt, however, did not identify duties that it performed as an AMB or otherwise. In short, there was a total lack of information in its proposal concerning the specific duties and functions the firm previously performed or the experience it actually possessed. We agree with HUD that the information Sunbelt provided was not sufficient to show demonstrated experience in the management of single-family homes. Nor do we believe that the evaluators should have known that Sunbelt had experience in managing single-family houses simply because it was an AMB. In this regard, the solicitation listed 40 services that an AMB could be required to perform, such as inspect properties on initial listing, winterize operating systems and equipment, eliminate conditions which present safety hazards, provide appropriate assistance to all interested parties regarding properties available for sale, review all tax assessments, and grounds maintenance.

While at least some of these services could involve management of single family homes, the evaluators could not know what specific services Sunbelt performed as an AMB or how extensive those services were. Accordingly, we find that HUD's evaluation of Sunbelt's proposal for this factor was reasonable.

The second evaluation factor was demonstrated experience in soliciting repair bids, coordinating and overseeing repair work and inspecting for satisfactory work completion. In its proposal, Sunbelt related that Mr. John Walker, the principal owner of Sunbelt, was involved in the residential contracting business for 15 years, during which time he built more than 250 homes. Sunbelt also noted that Mr. Buddy Jones, Sunbelt's chief of operations, was an electrical contractor who has been personally involved in the design, specification, or installation of electrical work. In addition, Sunbelt indicated that during the term of its existing HUD contract, preservation and maintenance expenditures averaged less than \$120 per closed property.

In rating the proposal under this factor, the evaluation board assigned Sunbelt 2 points out of a possible 20 points. The evaluation board found that Sunbelt did not provide any details of its experience other than relating experience in the home building and electrical industries. The evaluation board gave Sunbelt the 2 points based on its knowledge that some relevant experience would have been gained as an AMB for HUD although that experience was not detailed in the proposal.

Sunbelt argues that the agency incorrectly concluded that it did not provide any details in its proposal concerning its experience managing repairs. Sunbelt argues that it specifically listed its average cost per property for preservation and maintenance. Sunbelt asserts that this performance data, coupled with its experience managing single-family homes, shows the firm's ability to solicit repair bids, coordinate and oversee repair work, and to inspect for satisfactory completion of repairs. Sunbelt also argues that HUD failed to take into consideration the education and qualifications of its staff.

While Sunbelt provided the average cost per property for maintenance, Sunbelt did not provide any details of its experience in soliciting and coordinating repair work. Nor did Sunbelt provide any information concerning the number of repairs it supervised. HUD, in our view, was not required to deduce from the average cost per property for maintenance that Sunbelt had experience managing repairs. Nor was HUD required to deduce this from the fact that Sunbelt provided information concerning the experience of its principals in the building trades since such experience is not the same as

experience managing and overseeing repairs. Accordingly, there is no basis to conclude that HUD's evaluation of Sunbelt's proposal for this factor was unreasonable.

Evaluation factor three was demonstrated experience in managing a rental program, including establishing fair market rentals and collections from present and former tenants for single-family properties. In its proposal, Sunbelt indicated that the corporation and/or its principal owner was involved in the ownership and management of numerous single-family and multi-family properties located in Oklahoma and Texas, and that in each location a workable management rental program was instituted. Sunbelt also noted that a computer data base has been selectively created to give Sunbelt the ability to set fair market rental rates. In the proposal, Sunbelt also stated that collection methods and procedures were clearly set forth in all executed leases and that it was familiar with the Oklahoma statutes governing residential/non-residential landlord tenant relations.

The evaluation board rated Sunbelt's proposal 3 points out of a possible 15 for factor three. The evaluation board found that while Sunbelt presented methods and procedures to manage a rental program for single-family properties, it did not provide any details of its actual experience.

Sunbelt argues that the agency's evaluation was unreasonable because the overview of responsibilities incidental to the management of a rental program as set forth in its proposal was sufficient. Sunbelt also points to the first section of its proposal where it indicates the number of rental properties it manages.

The fact that Sunbelt has knowledge of the applicable statute governing rentals does not necessarily mean that Sunbelt has experience in following the guidelines and rules established by the statute or experience in setting fair market rentals and collecting rents. Nor does Sunbelt's statement of the number of rental properties it manages demonstrate the firm's experience in the tasks detailed in evaluation factor three. In this regard, Sunbelt provided no information concerning the management programs it instituted or the procedures it followed. Accordingly, since Sunbelt did not provide the necessary information for the agency to evaluate, we have no basis to conclude that the agency's evaluation of Sunbelt's proposal for factor three was unreasonable.

We have reviewed HUD's evaluation of Sunbelt's proposal for the remaining two evaluation factors. While we will not discuss separately these factors in detail, our review shows that the agency reasonably concluded that Sunbelt did not

adequately address these factors in its proposal. Accordingly, based on the evaluation, we have no basis to conclude that HUD's decision to eliminate the proposal from the competitive range was unreasonable.¹

The protest is denied.



 James F. Hinchman
General Counsel

¹Sunbelt has also questioned whether the agency gave sufficient weight to cost in establishing the competitive range. However, since Sunbelt's proposal was considered technically unacceptable, the agency could properly eliminate the proposal from the competitive range without considering cost. See Star Techs., Inc., B-233489; B-233489.2, Mar. 16, 1989, 89-1 CPD ¶ 279.