



Comptroller General  
of the United States

Washington, D.C. 20548

Bednarz 148562

## Decision

**Matter of:** RAI, Inc.; The Endmark Corporation

**File:** B-250663; B-250663.2; B-250663.3

**Date:** February 16, 1993

Neal H. Ruchman for RAI, Inc. and Jill B. Mansfield for The Endmark Corporation, the protesters.

Barbara A. Fallat, Department of Transportation, for the agency.

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### DIGEST

1. Agency award selection was consistent with the solicitation's "best value" evaluation formula that mathematically balanced technical and price scores, where the awardee, notwithstanding its higher price, surpassed the protesters' applicable experience, which was a primary element of the majority of the evaluation factors.

2. Where a request for proposals seeks detailed technical proposals and sets forth weighted evaluation criteria to enable the agency to make comparative judgments about the relative merits of competing proposals, an offeror is on notice that the agency will make qualitative distinctions among proposals under the various evaluation criteria.

3. Meaningful discussions were conducted where the questions asked by the agency reasonably suggested the perceived deficiencies in the offeror's proposal; all-encompassing discussions are not required.

### DECISION

RAI, Inc. and the Endmark Corporation protest the award of a contract to Fairfax Opportunities Unlimited, Inc. under request for proposals (RFP) No. DTOS59-91-R-00229, issued by the Department of Transportation (DOT) to provide mail operation services for three DOT offices in Washington, D.C. The protesters object to DOT's evaluation of their proposals and the award selection.

We deny the protests.

The RFP was issued as a 100-percent small business set-aside on April 25, 1991, and contemplated the award of a firm, fixed-price contract for 1 base-year and 4 option-years. The RFP requested proposals for mail operation services at the DOT Headquarters, the Federal Aviation Administration and the U.S. Coast Guard Headquarters. Among other RFP requirements, the contractor was to sort and distribute incoming mail; to fluoroscope such mail to check for explosives; to prepare and meter outgoing mail consistent with departmental, Postal Service and commercial carrier regulations, with attention to cost-effectiveness; to maintain a service desk at each of the three offices; and to deliver daily newspapers and other publications, as required. The RFP specified that the contractor must provide at least 32 full-time employees to perform the contract requirements.

By the July 18, 1992, proposal due date, 18 firms submitted proposals, including both protesters. At that time, the RFP's evaluation scheme provided that the agency would make award to the low priced, technically acceptable offeror. Subsequently, the agency issued amendment Nos. 0006, 0008, and 0009 to the RFP, which revised the evaluation scheme to provide that award would be made on a best value basis using a mathematical formula balancing technical and cost considerations.<sup>1</sup> Proposals were requested from all offerors by March 6, 1992, based on the best value evaluation criteria. Of the 18 original offerors, 13 submitted proposals in response to the amended RFP by the March 6, 1992, proposal receipt date.

The amended best value evaluation contemplated award to the offeror who achieved the highest combined technical and price score. The RFP provided that technical factors were more important than price factors, and indicated (as an example) that the technical score counted 60 percent of the evaluation, and price, 40 percent. The RFP's technical evaluation scheme stated the following factors, listed in descending order of importance:

- T.1 Staff Experience
- T.2 Corporate Profile
- T.3 Operating Plan
- T.4 Understanding Mail Operations

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<sup>1</sup>Although the agency first transmitted amendment No. 0006 only to those offerors whose proposals were in the competitive range for the submission of best and final offers (BAFO), it later decided to reopen the competition to all offerors. Thus, the agency issued amendment No. 0008, which superseded the original solicitation and first seven amendments, incorporating the new evaluation procedures. Amendment No. 0009 further amended the evaluation formula.

- T.5 Credentials
- T.6 Project Organization
- T.7 Performance
- T.8 Personnel Reserves

The accompanying narratives to the factors and proposal preparation instructions made clear that most of these factors were related to the offeror's experience. For example, the Staff Experience factor required the offeror to state the qualifications of its key corporate personnel, including management skill and relevant work experience. The Corporate Profile factor requested a demonstration of similar substantive experience, in the form of 1-page summaries of all mail operation and facilities management contracts within the past 5 years. The Credentials factor sought a history of the offeror's firm, including the length of time the firm had been performing mail operation and facilities management work; the number of such contracts performed in the past 5 years and the fraction of these renewed; and the size of the work force devoted to this type of work. Finally, the Performance factor required a description of prior experience to demonstrate familiarity with mail operations and facilities management, with a focus on operational problems unique to such work. These four technical factors, bearing on the offeror's experience, combined to weigh approximately two-thirds of the total technical score.

On August 11, 1992, the contracting officer concluded the initial evaluation and established a competitive range composed of 8 of the 13 offers received, including those of RAI and Endmark. On August 12, 1992, the agency sent each competitive range offeror a list of written questions and conducted oral discussions on August 18. At the conclusion of discussions, the agency requested BAFOs by August 28, 1992, to which each offeror responded.

The agency evaluated the BAFOs on a 4-point scale consistent with the RFP as follows:

	<u>Technical</u>	<u>Price Score</u>	<u>Total Score</u>
Fairfax	2.16	0.54	2.70
RAI	1.14	1.40	2.54
Endmark	1.30	0.97	2.27

The contracting officer selected Fairfax for award because it had the highest combined technical/price score and made award to that firm on September 18, 1992. On October 1, 1992, RAI and Endmark each protested the award; Endmark supplemented its initial protest on October 23, 1992.

At the outset, both protesters argue that the award to a higher-priced offeror is irrational, given the cost advantages afforded by their proposals. They argue that the RFP work requirements were not so technical as to provide a meaningful basis for distinguishing among proposals, so that award should have been made to the low priced, technically acceptable offeror. These complaints essentially concern the RFP's amended "best value" evaluation scheme, and should have been protested not later than the March 6, 1992, closing date for receipt of revised proposals. 4 C.F.R. § 21.2(a)(1) (1992). Therefore, the protests on this issue are untimely.<sup>2</sup>

The protesters argue that the cost/technical trade-off performed in this case should have given greater emphasis to cost and resulted in award based on their significantly lower-priced proposals. The RFP, however, advised that technical factors were more important than cost factors and indicated a mathematical formula to balance technical and price considerations in determining the awardee. See T.W. Hollopeter & Assocs., B-227804, July 30, 1987, 87-2 CPD ¶ 118. Since Fairfax achieved the highest overall score under this formula by virtue of its technically superior proposal, the protester were not entitled to contract award under the RFP's announced scheme.

The protesters argue that the technical evaluation conducted by the agency was unreasonable and inconsistent with the RFP's evaluation criteria. The protesters maintain that a proper evaluation would have rendered their proposals technically comparable to that of Fairfax and precluded award on the basis of Fairfax's higher-priced proposal.

The evaluation of proposals is within the discretion of the procuring agency, since it is responsible for defining its needs and the best method of accommodating them, and must bear the burden resulting from a defective evaluation.

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<sup>2</sup>RAI alleges that DOT amended the RFP's evaluation procedures after the acceptance of initial offers with the intent of avoiding an award to RAI as the low priced, technically acceptable offeror. The protester has not produced, nor can we find, any evidence to support this contention. DOT states that it issued the amendment solely because the original evaluation procedures did not reflect the agency's needs and that it allowed all offerors, including the protesters, to resubmit proposals under the new evaluation scheme. We decline to attribute bias in the evaluation of proposals on the basis of RAI's inference or supposition. Smith Bright Assocs., B-240317, Nov. 9, 1990, 90-2 CPD ¶ 382.

Chaffins Realty Co., Inc., B-247910, July 8, 1992, 92-2 CPD ¶ 9. In cases challenging an agency's technical evaluation, our Office will not independently weigh the merits of offers; rather, we will examine the agency's evaluation to ensure that it was reasonable and consistent with the stated evaluation factors. QPSYS, Inc., B-248260, Aug. 6, 1992, 92-2 CPD ¶ 83.

#### THE ENDMARK EVALUATION

Endmark's principal argument is that the evaluation criteria did not permit the agency to consider the breadth and complexity of an offeror's overall experience. Endmark basically admits that its mailroom experience was not as extensive as the awardee's, but submits that this distinction was irrelevant under the evaluation criteria.

Endmark's sole mailroom contract was for managing the Military Sealift Command (MSC) mailroom during the period from April 1989 to June 1992. The other four contracts summarized in its proposal were for facilities management and technical support services; the firm's experience in this area dated back to 1987, somewhat earlier than its mailroom experience. In a reference check of the MSC contract, DOT learned that the contract was only a 4-person operation, which DOT found lacked the functional scope and breadth of DOT's 32-person mailroom operation. In addition to the size differential, the agency learned that MSC does not meter its mail, which DOT views as a vital function in cost-effective mailing.<sup>1</sup>

The key corporate personnel listed in Endmark's proposal also showed limited mailroom management experience. Endmark's President had some military postal experience that was considered of limited relevance to large mailroom operations and the remaining corporate personnel's experience was related to the MSC contract, which the evaluators did not view as comparable to management experience at a major mail facility.

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<sup>1</sup>The protester argues that DOT could not properly contact its MSC reference for specific information regarding the scope of the MSC contract or consider MSC's responses during the proposal evaluation. We find nothing improper in DOT's inquiries or subsequent consideration of MSC's input, since the RFP required offerors to list prior experience and thereby placed them on notice that the contracting agency might contact the sources of this experience and consider their replies, without giving the offeror an opportunity to rebut. See Schneider, Inc., B-214746, Oct. 23, 1984, 84-2 CPD ¶ 448.

Although the evaluators did not consider Endmark's prior experience unacceptable and took into account all relevant facilities management experience, the evaluators found that the limited mailroom experience of Endmark and its key corporate personnel justified only a "fair" rating--2 points out of a maximum 4 points--in the Staff Experience, Corporate Profile, and Credentials factors. In contrast, Fairfax earned the maximum 4 points under these factors because its proposal reflected extensive experience in mailroom operations over the past 20 years, with specific experience in managing large federal agency mailrooms.

Endmark agrees that one of the "distinguishing qualities" differing Endmark from the awardee of the solicitation [was] only magnitude of mailroom operation and volume of mail processed," but argues that it was improper for the agency to emphasize prior mailroom experience or to consider the size of the prior operations in scoring its proposal because the evaluation criteria did not specify "large mailroom experience." Endmark contends that the RFP invited offerors to demonstrate both mail operations and facilities management experience, without reference to the size of the operation and only required the offeror to possess one current mailroom contract under the Corporate Profile and Performance factors. The protester argues that since its MSC mailroom contract satisfied this RFP requirement, the agency could not award a higher score to a firm with experience in more than one mailroom operation. In other words, the protester argues that DOT could not compare the relative merits of proposals, but could only judge proposals for compliance with the RFP's minimum requirements.

In dismissing the qualitative differences between its own and Fairfax's proposal, Endmark, in effect, argues that the agency could only consider an offeror's technical acceptability in evaluating proposals. This argument ignores the RFP evaluation scheme. An agency may properly rate one offeror higher than another for exceeding the RFP requirements where the RFP seeks detailed technical proposals and sets forth weighted evaluation criteria to enable the agency to make comparative judgments about the relative merits of competing proposals. Under these circumstances, an offeror is on notice that the agency will make qualitative distinctions between proposals under the various evaluation factors. Earth Resources Corp., B-248662.2 et al., Nov. 5, 1992, 92-2 CPD ¶ 323. In making such distinctions, the agency may properly consider specific matters, albeit not expressly identified, that logically relate to the stated evaluation criteria. Id.; Rodriguez & Assocs., B-245882.2, Feb. 21, 1992, 92-1 CPD ¶ 209.

Here, DOT found Fairfax's longstanding experience in managing similar, large-scale federal mailrooms justified awarding its proposal a much higher score than Endmark's proposal, which showed limited experience. This is consistent with the RFP's evaluation criteria, which requested evidence of "relevant" and "similar substantive" experience under the two most important technical factors, Staff Experience and Corporate Profile. That the agency could consider the scope and extent of an offeror's experience is also implicit in the RFP's request for information regarding the size of the offeror's work force at the facilities it previously operated. A fair reading of the RFP makes clear that management experience in mailrooms closely approximating the size and complexity of DOT's mailrooms would be considered more valuable than general management experience gained at smaller facilities.

Based upon our review, we are not persuaded that Endmark's proposal is technically comparable to Fairfax's proposal, as the protester contends. In contrast to Fairfax, Endmark and its corporate personnel had little or no background in operating large mailroom facilities. The technical evaluation scores reasonably reflected this difference, and Endmark fairly received only some credit for those technical factors relating to experience. Thus, we have no basis to object to the agency's determination that the technical superiority of Fairfax's proposal outweighed the advantages of Endmark's moderately lower price.

#### THE RAI EVALUATION

RAI protests that the agency improperly downgraded its proposal under several technical factors for a lack of corporate experience, when this experience should have affected only some, but not all, of the proposal categories for which it was penalized. Although RAI no longer asserts, in responding to the agency report on the protest, that its experience was better than the agency determined, RAI believes that the agency could not simultaneously consider its experience under more than one evaluation factor.

RAI's proposal revealed that the firm was currently performing mail service contracts at two Air Force bases, and that it was providing some employees to support the Small Business Administration in operating its mailroom.<sup>4</sup> Other RAI contracts involved some aspect of mail operation services, but were not contracts for the operation and

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<sup>4</sup>RAI's proposal listed another contract for federal agency mailroom support services, but since RAI completed this contract more than 5 years ago, it was inappropriate for consideration under the RFP's evaluation criteria.

management of a full service mailroom, such as DOT's mailrooms.

The staff profile in RAI's proposal included detailed descriptions of on-site staff, such as mail clerks and mailing machine operators, but discussed only one corporate staff member, its President. Based upon the brief description given in the proposal, RAI's President appears to have had some mailroom experience in connection with some of the firm's contracts, but did not possess any experience with large mailroom or facilities management contracts.

In reviewing RAI's proposal, the evaluators found that RAI's Air Force base contracts were for small-barracks mail-sorting operations, falling well short of the requirements of the DOT mailrooms. Similarly, the evaluators considered RAI's other contracts only marginally relevant, since they involved only isolated mailroom tasks and did not vest RAI with actual management or mailroom operation responsibilities. Although RAI's background was varied, the dearth of management and operations experience contributed to a "fair" rating (2 out of 4 points) under the Corporate Profile and Performance factors, and a "poor" rating (1 out of 4 points) under the Credentials factor. The proposal's thin discussion of RAI's key corporate personnel, which reflected only small mailroom experience on the part of its President, affected its ratings under the Performance and Staff Experience factors, earning 2 out of 4 points on both.

As indicated above, RAI does not rebut, and the record confirms, that it lacked the same degree of broad management and operations experience possessed by Fairfax in the performance of its large mailroom contracts. RAI instead contends that its lack of corporate experience should have only affected its score under the Corporate Profile factor, not the Performance and Credentials factors, as well. Likewise, RAI claims that DOT improperly considered the limited experience of its key corporate personnel under the Staff Experience and Performance factors, when this experience was only relevant to the Project Organization factor.

RAI's interpretations of the evaluation criteria are incorrect. Contrary to RAI's assertions, the Performance and Credentials factors expressly provided for the agency's consideration of the offeror's corporate experience. The Performance factor required a description of prior experience bearing on the offeror's familiarity with mail operations and facilities management, while the Credentials factor required information on the offeror's tenure in mail operation and facilities management work and a corresponding contract history over the past 5 years, including information on the size of the offeror's devoted work force and the



percent of personnel turnover. These factors, like the Corporate Profile factor, explicitly sought a demonstration of the offeror's prior experience and contemplated some overlap in the evaluation of the experience of the offeror and its employees. See Sabreliner Corp., supra.

Similarly, there is no support for RAI's argument that the Staff Experience and Performance factors did not permit the agency to consider its relative corporate personnel qualifications on both. The Staff Experience factor required the offeror to state the qualifications of its key corporate personnel, including management skill and relevant work experience. The Performance factor, while it did not ask offerors to repeat their personnel qualifications, sought a description of the offeror's management plan and prior experience bearing upon its ability to carry out this plan. The qualifications of the offeror's key corporate personnel reasonably relate to this criterion and need not have been expressly identified to be considered. Id.; Schneider, Inc., supra.

Thus, we find that the agency's scoring of RAI's proposal was consistent with the evaluation criteria and reasonably reflected the relative lack of experience on the part of RAI and its corporate personnel. Although RAI's proposed price was significantly lower than Fairfax's, the fact remains that Fairfax's clear technical superiority, as reflected by the firm's higher technical score,<sup>5</sup> outweighed the price premium afforded by RAI's proposal and supported the award to Fairfax.

Finally, the protester claims that it did not receive meaningful discussions, because the agency's technical representative did not attend oral discussions and because the agency otherwise failed to "fully announce" RAI's proposal deficiencies. There is no requirement upon the agency to conduct all-encompassing discussions, as desired by RAI. The agency must only reasonably lead the offeror into those areas of its proposals needing amplification, so that the offeror has the opportunity to revise its proposal to satisfy the government's requirements. Eagle Design and Management, Inc., B-239833 et al., Sept. 28, 1990, 90-2 CPD ¶ 259. Here, the discussion questions furnished by the agency reasonably suggested the perceived deficiencies in RAI's proposal. In fact, RAI increased its score under three of the evaluation factors based upon its responses to the agency's discussion questions. Since the discussion questions reasonably indicated RAI's proposal deficiencies,

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<sup>5</sup>While RAI asserts that Fairfax's proposal was gold-plated, it has provided no further elaboration on this contention.

we find that the agency engaged in meaningful discussions,  
even without the presence of a technical representative at  
oral discussions.

The protests of RAI and Endmark are denied.

*for Ronald Berger*  
James F. Hinchman  
General Counsel