

Matter of: R Squared Scan Systems, Inc.

File: B-252393.2

Date: December 8, 1993

Dale Hunt and Christopher J. Purcell for the protester, Dan Muehlfelder, for Mediq Equipment & Maintenance Services, Inc., an interested party. Michael Trovarelli, Esq., Defense Logistics Agency, for the agency. Susan K. McAuliffe, Esq., and Linda C. Glass, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest that protester should have received the contract award because it submitted the low cost proposal which was technically equal to the awardee's proposal is denied where the procuring agency reasonably determined that the awardee's proposal was technically superior to the protester's proposal.

DECISION

R Squared Scan Systems, Inc. protests the award of a contract to Mediq Equipment and Maintenance Services, Inc. under request for proposals (RFP) No. DLA120-93-R-0265, issued by the Defense Logistics Agency (DLA) for maintenance service for a computed tomography (CT) scanner and related equipment at DeWitt Army Hospital, Fort Belvoir, Virginia.¹

We deny the protest.

The RFP, issued on February 2, 1993, contemplated the award of a firm, fixed-price contract for a base year and 3 option years. The solicitation provided that award would be made to the responsible offeror whose offer conformed with the RFP's terms and was considered to be the most advantageous

¹The RFP sought maintenance service for a Picker International 1200SX CT Scanner System (including synerview gantry, patient couch, generator, operator, and physician consoles, and remote consoles), a 32-bit computer with hard disk, an Optical Disk Archival, a 3-D Image Display, a Bone Mineral Analysis Package, and a 3M laser imager.

to the government, cost or price, technical quality and other factors considered; the RFP stated that technical quality was more important than cost or price.

The following technical evaluation factors and subfactors were set forth in Section M of the solicitation (with all factors--and subfactors--being of equal importance):

- (1) technical competence
 - (a) trouble shooting capabilities
 - (b) replacement parts
 - (c) special tools, supplies, test equipment and diagnostic maintenance software
 - (d) staff experience and qualifications
- (2) capacity
 - (a) responsiveness
 - (b) adequate staffing
- (3) past performance
 - (a) reliability
 - (b) maintaining the system in working order
 - (c) timeliness
 - (d) customer satisfaction.

Four offers were received by the March 19 extended closing date for the receipt of proposals. Discussions were conducted with the four offerors and all of the proposals were subsequently included in the competitive range. Mediq's technical proposal was found to be highly acceptable; each of the other three proposals, including R Squared's, received an overall rating of acceptable. Best and final offers were requested from each of the firms. The overall final technical evaluation ratings for the offerors did not change from the initial evaluation; Mediq was the only firm whose proposal was considered highly acceptable and technically superior to the other offers received. R Squared offered the lowest proposed price at \$33,800 for the base year and each of the 3 option years. Mediq offered the second lowest proposed price at \$49,500 for the base year and each of the 3 option years. The other two offers received were substantially higher priced (at prices which were 50 and 90 percent higher than Mediq's proposal).

The contracting officer and contract specialist reviewed the evaluation reports and conducted a comparative analysis of each of the proposals.² Mediq's proposal was rated as

²In its comments submitted in response to the agency's report on the protest, R Squared expresses concern regarding
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highly acceptable under two of the RFP's evaluation factors, technical competence and past performance, and was rated as acceptable under the third criterion, capacity. Mediq received an overall rating of highly acceptable. R Squared's proposal was rated highly acceptable under the technical competence factor and acceptable under the capacity and past performance criteria, with an overall rating of acceptable.

Under the technical competence criterion, Mediq's proposal was commended for offering additional computer equipment for use by its service engineers to perform diagnostic tests for both preventative and emergency maintenance situations and for its remote diagnostic capabilities. The firm's remote diagnostic capability was favored for enabling the contractor's central office and the local engineer to initiate remote diagnostics and repair almost immediately after receiving a call for service, allowing defective parts to be ordered and delivered earlier, promoting faster problem resolution and decreasing system downtime.

Mediq's proposal was also rated more highly than R Squared's proposal under the past performance criterion due to the firm's demonstrated commitment to its policies promoting system uptime (i.e., related to employee compensation), customer service practices (e.g., such as continued on-site monitoring of system performance after repairs and early reports to the hospital staff), and strong reports of contractor reliability and customer satisfaction.

The contracting officer and contract specialist recommended award to Mediq on the basis of its superior technical proposal and reasonable price. The source selection official concurred with the award recommendation; the technical superiority of Mediq's proposal was specifically determined to be worth the almost 47 percent cost premium over R Squared's acceptable proposal. Award was made to Mediq on July 19. On August 2, R Squared filed this protest with our Office.

R Squared contends that it was not credited for its past experience in providing the type of services required under

²(...continued)

the possible improper release by the agency of the protester's proprietary information to Mediq in the awardee's copy of the agency report. The record shows, however, that R Squared's proposal and technical evaluation reports were redacted from the awardee's copy of the agency report, just as R Squared's copy of the agency report was similarly redacted to exclude Mediq's proprietary information.

the solicitation and that the firm's experience should have caused the agency's evaluators to rank the firm's technical proposal at least equal in technical merit to the awardee's proposal. The protester contends that it should have received the award as the lower priced offeror.

Where, as here, the solicitation's evaluation criteria include both technical and price-related factors, procuring officials enjoy a reasonable range of discretion in the determination of which offer is most advantageous to the government; there is no requirement that the award be made to the offeror offering the lowest cost. Trident Sys. Inc., B-243101, June 25, 1991, 91-1 CPD ¶ 604. We will disturb such determinations only if they are unreasonable or in violation of procurement statutes or regulations. Id.

Contrary to the protester's contentions, R Squared's proposal was credited for the firm's prior experience in providing similar services; it received an acceptable rating for past performance based upon previous customers' reports of having been generally satisfied with the firm's work. Mediq's proposal, however, showed substantial experience in providing the required maintenance service and Mediq's prior customers were extremely complimentary about the firm's significant commitment to the customer and high level of reliability. Consequently, Mediq's proposal received a rating of highly acceptable under the past performance criterion.

The record shows that DLA considered Mediq's proposal to be technically superior to all other proposals including the proposal submitted by R Squared. As stated, Mediq's past performance was rated higher than the protester's. Moreover, although both firms were rated as highly acceptable for overall technical competence, the agency found Mediq's unique remote diagnostic capabilities and state-of-the-art computerized maintenance system to be particularly beneficial because this technology permits constant system performance monitoring, quicker analysis of problems, faster problem resolution, and decreased system downtime.

On this record, we find no basis to question the agency's determination of Mediq's technical superiority. It is reasonably based in light of the proposals submitted and the comments received from prior customers. Given that cost was not controlling here, the agency properly could determine that Mediq's superiority was worth the higher cost associated with that firm's offer. R Squared's mere belief that its proposal should have been ranked equal to Mediq's is not sufficient to demonstrate that the agency's

evaluation was unreasonable. URS Int'l, Inc., and Fischer Eng'g & Maintenance Co., Inc.; Global-Knight, Inc., B-232500; B-232500.2, Jan. 10, 1989, 89-1 CPD ¶ 21; CACL, Inc.-Federal, B-225444, Jan. 13, 1987, 87-1 CPD ¶ 53.

The protest is denied.

James F. Hinchman
General Counsel