



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

# Decision

**Matter of:** Global Associates, Ltd.  
**File:** B-256277  
**Date:** June 6, 1994

William R. Butterfield, Esq., and William A. Breskin, Esq., Seyfarth, Shaw, Fairweather & Geraldson, for the protester. E. Grey Lewis, Esq., McDermott, Will & Emery, for Amron Corporation, the interested party. Naomi J. Miske, Esq., and B.J. Plunkett III, Esq., Department of the Navy, for the agency. Charles W. Morrow, Esq., Guy R. Pietrovito, Esq., and James A. Spangenberg, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

## DIGEST

In a negotiated "best value" procurement, award to the technically superior, higher-cost offeror was proper where the source selection decision was consistent with the solicitation's evaluation factors and the agency reasonably determined that the awardee's technical advantages outweighed those in the protester's lower-rated, lower-cost proposal.

## DECISION

Global Associates, Ltd. protests the award of a contract to Amron Corporation under request for proposals (RFP) No. N00039-93-R-0112(Q), issued by the Space and Naval Warfare Systems Command (SPAWAR), Department of the Navy, for systems engineering and management support services. Global contends that the Navy did not perform a reasonable cost/technical tradeoff in selecting Amron for award.

We deny the protest.

The RFP, issued as a total small business set-aside, contemplated the award of a cost-plus-fixed-fee contract for systems engineering and management support services for the "Fixed Distributed System" and the "Advanced Deployable System" undersea surveillance systems. The contractor will perform program management support, systems engineering support, cost estimation support, integrated logistics support, and software applications programming,

as specified in the solicitation's statement of work. To accomplish the contract work, offerors were required to provide 27,040 man-hours of direct labor per year but were to propose their own mix of personnel skill levels. In this regard, the RFP identified and defined the labor/skill categories offerors were to use in allocating proposed personnel.

Offerors were informed that proposals would be evaluated for compliance with five specified mandatory requirements. Compliant proposals would be evaluated under the following technical evaluation factors, which were listed in descending order of importance, with the first two factors of significantly greater importance than the remaining factors: (1) Technical Approach, (2) Personnel Experience, (3) Management Approach, (4) Corporate Experience, and (5) Facilities. Technical merit was stated to be significantly more important than cost, which offerors were informed would be evaluated for realism. The RFP provided that award would be made to the responsible offeror whose conforming offer was determined to be the most advantageous to the government, cost and other factors considered.

SPAWAR received four proposals, including that of Global and Amron, the incumbent contractor. The technical evaluation board (TEB) evaluated the technical proposals for compliance with the RFP's mandatory requirements and for technical merit, using an adjectival rating system under which proposals were rated for each evaluation factor and subfactor as either "above adequate," "adequate," "below adequate," or "technically unacceptable." Amron's proposal, which was rated "above adequate" overall,<sup>1</sup> and Global's proposal, which was rated "adequate" overall,<sup>2</sup> were

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<sup>1</sup>"Above adequate" was defined as a proposal that met all the requirements of the solicitation, with good probability of performing all tasks within budget, and with no major weaknesses, deficiencies, or risks.

<sup>2</sup>"Adequate" was defined as a proposal that:

"meets the critical requirements of the solicitation. The offeror can probably perform all tasks, but the probability of doing so on schedule within budget is moderate. . . . Areas of risk are of no greater a degree than would ordinarily be expected in performing an effort of this size or complexity."

determined to be in the competitive range. Discussions were conducted, and best and final offers (BAFO) received.

BAFO cost proposals were as followed:

Global	\$4,853,226
Amron	\$6,047,202

Amron's proposal was again evaluated as "above adequate" overall while Global's proposal rating remained "adequate" overall. Amron's superior technical rating reflected the evaluators' judgment that Amron had demonstrated a thorough understanding and knowledge of the program requirements, and a solid technical approach to accomplishing the contract requirements, and that Amron had proposed highly experienced personnel that would be dedicated, for the most part, full-time to the contract effort.

Global's overall "adequate" rating reflected the evaluators' judgment that Global, while demonstrating an adequate understanding of the program requirements, had proposed significantly less experienced and skilled personnel than had Amron. In particular, Global was evaluated as "below adequate"<sup>3</sup> under the second most important personnel experience factor because Global, despite specific discussions in this regard, had failed to propose any key personnel full-time to the contract,<sup>4</sup> and because Global's proposed skill mix was primarily comprised of junior, less experienced personnel. Also, Global was evaluated as "below adequate" under the management approach factor because Global, despite discussions in this regard, did not adequately describe the lines of responsibility it would employ in integrating its personnel with that of its proposed subcontractors.

The agency's contract acquisition review panel (CARP) adopted the TEB's findings and considered whether Amron's evaluated proposal superiority was worth the associated 24-percent cost premium. The CARP reviewed the offerors'

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<sup>3</sup>"Below adequate" was defined as a proposal that does not adequately respond to the solicitation such that there is doubt that the "contract performed strictly in accordance with [the offeror's] procedures would result in a satisfactory product," with low probability of success and with significant weaknesses, deficiencies, and/or areas of risk.

<sup>4</sup>For example, although the RFP required offerors to propose one person as their program manager, Global's proposed program manager was dedicated only slightly more than half-time to the contract effort.

evaluated strengths and weaknesses under each evaluation factor and subfactor, and determined that Amron's technical evaluation rating reflected actual technical superiority that justified the associated cost premium. In this regard, the CARP noted that while each offeror's estimated costs had been determined to realistically reflect each offeror's technical approach, Global's significant use of junior personnel presented the risk that higher skill level personnel would ultimately be required during contract performance, which would increase Global's estimated costs. The source selection authority adopted the CARP's recommendation for award to Amron, and this protest followed.

Global principally complains that the cost premium associated with Amron's proposal is not justified by the technical evaluation rating difference between the firms' proposals ("above adequate" overall versus "adequate" overall), since Global's estimated costs were determined to be realistic. Global asserts that the major difference between the two technical proposals was that Amron proposed substantially more managerial personnel, including dedicated key personnel, which resulted in the price differential between the proposals. Global argues that this technical difference does not enhance contract performance. Further, Global complains that SPAWAR accorded undue weight to Amron's incumbency status by favoring Amron's specific experience while downgrading Global's proposal for lack of specific experience.

In reviewing an agency's evaluation of competing proposals, we only examine the agency's evaluation to ensure that it was reasonable and in accord with the evaluation criteria. See Orion Research, Inc., B-253786, Oct. 21, 1993, 93-2 CPD ¶ 242. Technical/cost tradeoffs may be made in deciding between competing proposals; the propriety of such a tradeoff turns not on the difference in technical scores or ratings, per se, but on whether the agency's judgment concerning the significance of that difference was reasonable and adequately justified in light of the RFP evaluation scheme. Brunswick Defense, B-255764, Mar. 30, 1994, 94-1 CPD ¶ 225. A protester's mere disagreement with the agency's evaluation determination does not demonstrate that the evaluation was unreasonable. Id.

We find, contrary to Global's assertion that SPAWAR failed to reasonably explain the technical benefits of award to Amron, that the evaluation and source selection documentation fully justifies the agency's technical/cost tradeoff. Specifically, as noted above, the agency determined that Amron's "above adequate" proposal offered a solid technical approach coupled with highly experienced and dedicated personnel. Global's proposal, on the other hand,

offered much less experienced and junior personnel than Amron, and none of Global's key personnel were dedicated full-time to the contract effort. Also, Global failed to explain the lines of responsibility required to integrate its proposed personnel with that of its subcontractors. In sum, the agency concluded that while Global's proposal was "adequate" overall, its proposal contained significant weaknesses and risks with regard to its proposed personnel and management approach such that there was a low probability that Global could satisfactorily perform the contract.

Global complains that the agency improperly considered Amron's specific experience as an incumbent and argues that the agency could not consider Amron's incumbency advantages in performing its technical/cost tradeoff. We disagree. The RFP informed offerors that personnel and corporate experience would be evaluated. Where, as here, a solicitation lists experience as an evaluation factor, the procuring agency may reasonably consider an incumbent's specific experience since such experience is intrinsically related to and encompassed by a general experience evaluation factor. Benchmark Sec., Inc., B-247655.2, Feb. 4, 1993, 93-1 CPD ¶ 133. SPAWAR properly considered Amron's experience as the incumbent. By the same token, SPAWAR could reasonably downgrade Global for lacking optimum experience with the RFP's requirements, which the record confirms was reflected in several areas of Global's proposal.<sup>5</sup> This is particularly true since Global was asked several times in discussions to address the experience of its proposed personnel and failed to specifically do so.

Global also complains that its proposal was improperly downgraded because none of its proposed key personnel were dedicated full-time to the contract effort. Global asserts that the RFP did not require key personnel to be dedicated full-time to the contract because section L of the RFP defined key personnel as "those individuals that are essentially dedicated (i.e., greater or equal to 50 [percent] of their time as indicated on submitted resumes) to a specific task area." This provision of the solicitation, which provided the mandatory requirement that not less than 20 percent of the offerors' key personnel be available within 90 days of contract award, did not

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<sup>5</sup>Global, however, was evaluated as "adequate" under the corporate experience factor based upon its experience with similar Navy surveillance work. Global's rating under this factor was lower than Amron's because Global had no experience as a prime contractor on system engineering and management contracts of the size of this contract.

reasonably suggest to offerors, as Global appears to believe, that the agency would not evaluate the extent to which offerors would dedicate its proposed key personnel to the contract effort; rather, it only defined which proposed individuals were considered key personnel. In any event, Global was informed during discussions that the agency considered its failure to offer key personnel that were dedicated full-time to the contract effort to be a proposal weakness or deficiency--a concern that Global did not adequately assuage. We find the agency reasonably evaluated the availability of Global's key personnel and found that Global's failure to dedicate any key personnel full-time to be a proposal weakness.

Finally, Global challenges the agency's technical judgment that Amron's offer of more experienced and senior personnel was of greater value than Global's offer of less experienced, junior personnel. The difference in the offerors' estimated costs is primarily attributable to the difference in the personnel skill levels proposed by each firm. Global does not dispute the agency's assessment of its personnel experience or that its proposed personnel were more junior and less experienced than Amron's, but nevertheless asserts that Amron's offer of higher skill levels and greater experience offered no greater value to the agency because Global's proposal was found "adequate" overall. This argument ignores the fact that the agency assessed Global's proposed personnel as being "below adequate" and thus to be a significant proposal weakness and risk. Global's arguments concerning the relative value of its proposed personnel vis-a-vis Amron's personnel are no more than a mere disagreement with the agency's technical judgment, which does not show the evaluation to be unreasonable. See Seair Transport Servs., Inc., B-252266, June 14, 1993, 93-1 CPD ¶ 458.

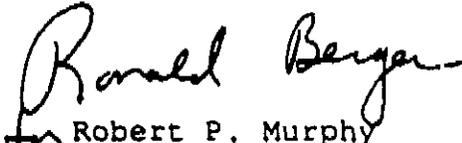
In conclusion, we find that SPAWAR reasonably evaluated the offerors' proposals and determined that the superiority of Amron's proposal outweighed its additional cost, particularly given that technical merit was identified as being of greater importance than cost. In this regard, SPAWAR considered Global's low estimated cost in making its technical/cost tradeoff, but determined that Global's "below adequate" technical ratings, as discussed above, made its lower-cost proposal much less attractive than Amron's technically superior proposal.<sup>6</sup> While Global believes that

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<sup>6</sup>In this regard, the agency was reasonably concerned that Global's estimated costs, which reflected the extensive use of junior personnel, would likely increase because Global would ultimately be required to use more senior personnel to satisfactorily perform the contract.

its 24-percent cost advantage should have been found more favorable than Amron's proposal, there is no requirement in negotiated procurements that award be made on the basis of lowest cost or price unless the RFP so specifies. See Sabreliner Corp., B-242023; B-242023.2, Mar. 25, 1991, 91-1 CPD ¶ 326.

The protest is denied.

  
for Robert P. Murphy  
Acting General Counsel