



Decision

Matter of: Intelcom Support Services, Inc.

File: B-257037

Date: August 23, 1994

Stephen G. Southerland for the protester.
Col. Riggs L. Wilks, Jr., and Maj. Wendy A. Polk,
Department of the Army, for the agency.
Charles W. Morrow, Esq., and Guy R. Pietrovito, Esq., Office
of the General Counsel, GAO, participated in the preparation
of the decision.

DIGEST

A proposal was properly excluded from the competitive range where the agency reasonably determined that the protester's proposal was technically unacceptable and could not become acceptable without major revisions.

DECISION

Intelcom Support Services, Inc. protests the exclusion of its proposal from the competitive range under request for proposals (RFP) No. DASA03-94-R-0001, issued by the Department of the Army for base operations and support at Camp Doha, Kuwait.

We deny the protest.¹

The Army uses Camp Doha to conduct military exercises, including live fire training exercises under desert conditions, and to support "contingency/combat operations" with armed forces in the region around Camp Doha. The RFP, issued November 29, 1993, contemplated the award of a cost-plus-award-fee contract for a base year and 4 option years for base operations and management services to support this requirement.² The core contract requirement is that

¹Our decision is based in part upon confidential and source selection sensitive information and is necessarily general.

²The Army states that the contract requirements present significant technical risks (due to, among other things, the broad scope of work, national security implications, and risk of combat operations), cost risks (the contract is labor intensive), and schedule risks.

of maintaining and issuing supplies and equipment, such as heavy tracked combat vehicles, other tactical vehicles, and related armaments, ammunition, electronics, and repair parts.³ Offerors were informed that there were currently 8,807 items of combat and combat support equipment to be maintained under the contract. The RFP included two options to increase the amount of combat and combat support equipment to be maintained; supplemental schedule I would increase the equipment under the contract by 14,684 items and supplemental schedule II would increase the equipment by another 7,356 items.

The RFP provided for award to the offeror whose proposal represented the best value to the government, cost and other factors considered. The following technical evaluation factors and subfactors were listed:

1. Technical
 - a. Technical approach
 - b. Technical management
 - c. Technical experience
2. Management
 - a. General management practice
 - b. Related management experience
 - c. Phase-in and phase-out plan
3. Quality Control
 - a. Organization and resources
 - b. Corrective action plan
 - c. Interface and communication systems
 - d. Specific inspection techniques
 - e. Documentation and reports

Offerors were informed that the technical (non-cost) factors were slightly more important than cost. The technical evaluation factor was stated to be of approximately equal importance to the management and quality control factors,

³The contractor will maintain such combat vehicles as the M1A1 Abrams Main Battle Tank, M2A2/M3A2 Bradley Infantry Fighting Vehicle, M113 Armored Personnel Carriers, and M109 Self-Propelled Howitzers and such other tactical vehicles as the High Mobility Multi-Purpose Wheeled Vehicle, fuel truck, and 2-1/2 ton cargo trucks.

while the management factor was stated to be somewhat more important than quality control.

The RFP provided detailed proposal preparation instructions, keyed to each of the evaluation factors and subfactors. Among other things, offerors were required to describe the specific resources "(i.e., people, equipment, and material) and the methodology that will be used to accomplish the work." This discussion was required to include a narrative describing "[t]he number of personnel performing the work in the functional areas by skill type, skill level, job classification and productive hours worked per year." The RFP also required offerors to describe how they planned to satisfy the contract's security requirements regarding the handling and maintenance of classified materials. Offerors were warned that to be considered a proposal must conform to all the RFP's terms and that proposals that were unrealistic in terms of resources or procedures or unrealistically low in cost would be deemed reflective of an inherent lack of technical competence, or indicative of failure to comprehend the complexity and risks of the contractual requirements, and might result in rejection of the proposal.

The Army received eight proposals in response to the RFP, including Intelcom's. Each offeror's proposal was evaluated under the stated evaluation factors and subfactors and compared to an independent government estimate (IGE), that was developed in order to evaluate the risks and acceptability of each offeror's proposed technical and management approach. Five offers were found to be in the competitive range, while three offers, including Intelcom's, were excluded from the competitive range as being technically unacceptable.

The Army found that Intelcom's proposal contained a number of significant deficiencies that indicated an inadequate understanding of the complexity and scope of work required

⁴Certain subsystems of the combat vehicles and communications systems to be maintained under the contract are classified; also, other contract functions, such as mail handling, can involve classified information. The contractor is required to provide personnel with the appropriate security clearances to perform these services.

⁵Along with detailed cost breakdowns, the IGE contained the Army's estimate of acceptable manning levels, including the acceptable ratio of United States citizens to "third country nationals" (TCN). The agency's estimated manning levels and acceptable ratio of United States personnel to TCNs were not stated in the RFP.

by the RFP. The most critical technical deficiency in Intelcom's proposal was Intelcom's proposed staffing that was significantly lower than that of the IGE and the competitive range offerors,⁶ and the firm's failure to propose sufficient United States personnel to ensure adequate performance of the classified portion of the contract work. Another significant proposal deficiency was the firm's lack of technical and management experience in maintaining heavy tracked combat vehicle maintenance, which was identified as a mission essential function. Intelcom's understated staffing resulted in an unrealistically low cost proposal, the agency concluded, and reflected Intelcom's lack of comprehension of the contract requirements. The agency concluded that Intelcom's technically unacceptable proposal could not be made "acceptable without major revisions and an unreasonable and unfair degree of assistance on the part of the [g]overnment."

Intelcom protests the Army's evaluation of its proposal, asserting primarily that its proposed staffing reflects Intelcom's productivity rates and experience. Intelcom also objects to the Army's rejection of its offer without performing a "meaningful cost realism analysis," arguing that the Army should not have relied upon the IGE in evaluating the firm's proposed staffing and costs.

The evaluation of proposals and resulting determination as to whether a particular offer is in the competitive range are matters within the discretion of the contracting agency since it is responsible for defining its needs and determining the best method of accommodating them. Network Sys. Solutions, Inc., B-249733, Dec. 14, 1992, 92-2 CPD ¶ 410. Generally, offers that are technically unacceptable as submitted and that would require major revisions to become acceptable may be excluded from the competitive

⁶Intelcom's proposed staffing is also significantly less than the current contract manning levels, although the scope of work of the current contract is much narrower.

⁷Generally, in the performance of contract work outside the United States, only United States personnel can obtain the security clearances required for the classified portion of the contract work. There are some instances, not applicable here, where citizens of foreign governments that have entered into reciprocal industrial security agreements with the Department of Defense (DOD) may be authorized for access to classified information when geographically located within the United States or in the signatory foreign country involved. See "Information Security Manual for Safeguarding Classified Information," DOD 5220.22-M.

range. Id. In reviewing an agency's evaluation and competitive range determination, we will not independently reevaluate proposals but instead will examine the evaluation to ensure that it was reasonable and in accordance with the stated evaluation criteria. See Intelcom Support Servs., Inc., B-222547, Aug. 1, 1986, 86-2 CPD ¶ 135. Mere disagreement with the agency's technical judgment does not show that the evaluation was unreasonable. Seair Transp. Servs., Inc., B-252266, June 14, 1993, 93-1 CPD ¶ 458.

Here, we find that the Army reasonably determined that Intelcom's proposal was technically unacceptable and would require major revisions to become acceptable. The record shows that the amount of staffing proposed by Intelcom was significantly below that of the IGE, the competitive range offerors, and the manning levels of the current contract, and that Intelcom's proposed staffing consisted of a very small percentage of United States personnel. Moreover, as the Army points out, the impact of Intelcom's understated manning levels would be exacerbated by the agency's anticipated exercise of the optional schedules to substantially increase the amount of equipment to be maintained.

While Intelcom argues that its proposed staffing levels reflect its anticipated personnel productivity through the use of its proposed Filipino work force, this does not establish that the agency unreasonably determined that Intelcom failed to propose an adequate manning level. As the agency notes, all offerors' proposed staffing includes a large number of Filipino personnel. Moreover, Intelcom's proposal did not explain the company's basis for its asserted higher personnel productivity rates. Also, Intelcom never addressed how it could perform the classified portion of the contract with the low number of United States personnel it proposed. In short, Intelcom has not shown that the agency's assessment of its proposed manning level was unreasonable.

⁸ Intelcom also argues that the Army's evaluation of its proposed United States personnel level for material maintenance is too low and that it in fact proposed a slightly higher manning level than that evaluated. We need not resolve this dispute because the record shows that Intelcom's proposed manning level was well below that of the IGE and other competitive range offerors in any event.

⁹ Instead, Intelcom asserts that the RFP did not require a minimum United States personnel staffing level. While this is literally true, it was the offerors' responsibility to propose sufficient personnel for performance of the classified portion of the contract work.

We also find reasonable the agency's determination that the firm lacked technical and management experience in maintaining heavy tracked combat vehicles. While Intelcom argues that five key managers possess heavy tracked combat vehicle maintenance experience and that Intelcom had several years of support service experience in the Middle East, none of Intelcom's resumes for its key personnel or its proposal shows any specific experience in heavy tracked vehicle maintenance, although offerors were informed that such experience would be evaluated. An agency's technical evaluation of a proposal is dependent upon the information furnished in the proposal. Computerized Project Management Plus, B-247063, Apr. 28, 1992, 92-1 CPD ¶ 401. Given Intelcom's failure to demonstrate its experience, as requested by the RFP, the agency reasonably concluded that Intelcom lacked experience with the maintenance of heavy tracked combat vehicles. See A. G. Crook Co., B-255230, Feb. 16, 1994, 94-1 CPD ¶ 118.

Finally, we find no basis to object to the agency's use of its IGE to assess the adequacy of Intelcom's proposed manning levels and consequently the realism of Intelcom's proposed costs. Although the Army's evaluation of Intelcom's costs did not include a probable cost adjustment, the Army, by comparing Intelcom's proposed manning levels and costs to the IGE, the current contract, and other offeror's proposals, considered Intelcom's technical approach and costs in determining to exclude Intelcom's proposal from the competitive range. An agency may use any of a variety of approaches to assess the merits of an offeror's proposed costs, including comparison of the proposed costs to a government estimate. See Federal Acquisition Regulation § 15.805-3(c) (FAC 90-12); Intelcom Support Servs., Inc., supra. In this regard, an agency may properly evaluate the adequacy of an offeror's staffing by comparison with an undisclosed manning estimate, where, as here, the RFP puts offerors on notice that staffing will be an area of evaluation. See Red River Serv. Corp.; Mark Dunning Indus., Inc., B-253671.2 et al., Apr. 22, 1994, 94-1 CPD ¶ 385; Contract Servs. Co., Inc., B-246585.3, May 7, 1992, 92-1 CPD ¶ 427; Intelcom Support Servs., Inc., supra.

The protest is denied.

/s/ Ronald Berger
for Robert P. Murphy
Acting General Counsel