



Comptroller General
of the United States

Washington, D.C. 20548

REDACTED VERSION'

Decision

Matter of: DynCorp; Lockheed Support Systems, Inc.;
VFB Joint Venture; Ogden Allied Eastern
States Maintenance Corporation

File: B-257037.2; B-257037.3; B-257037.4;
B-257037.5

Date: December 15, 1994

Stuart Young, Esq., Dawn Elliott Oakley, Esq., and Cheralyn S. Cameron, Esq., for DynCorp; Stan Hinton, Esq., Baker & Botts, for Lockheed Support Systems, Inc.; Jennifer J. Zeien, Esq., William C. Buckhold, Esq., and Marcus B. Slater, Jr., Esq., Fort & Schlefer for VFB Joint Venture; and Donald E. Barnhill Esq., Joan K. Fiorino, Esq. and Edgar Garcia, Esq., East & Barnhill, for Ogden Allied Eastern States Maintenance Corporation, the protesters. C. Stanley Dees, Esq., and Jamie Kent Hamelburg, McKenna & Cuneo; and William Eisner, Esq. for ITT Federal Services Corporation, an interested party. Col. Edward Frothingham, III and Capt. Elizabeth D. Berrigan, Department of the Army, for the agency. Charles W. Morrow, Esq., and James A. Spangenberg, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Agency is generally not required to disclose to the offerors the staffing estimates used to evaluate technical and cost proposals where the solicitation stated that staffing would be evaluated.
2. Under a solicitation for base operations and support, which accorded slightly more importance to technical factors than cost, an agency reasonably selected the highest-rated offeror, which received a score of 82 and had the third lowest evaluated probable cost of \$278 million, instead of any of the other four competitive range offerors, whose scores ranged from 78 to 80, where the agency reasonably found that the high technical score represented real technical superiority, particularly with regard to the

'The version dated December 15, 1994, contained confidential source selection sensitive information and was subject to a General Accounting Office protective order. This version of the decision has been redacted. Deletions in text are indicated by "[DELETED]."

critical technical area of staffing, that offset the possible cost savings associated with lower-rated offerors.

3. Agency properly used the staffing estimates contained in its independent government estimate to evaluate technical and cost proposals where it also took into account the individual offerors' particular technical approaches.

4. Discussions on staffing were meaningful where each offeror was generally apprised of the particular deficiencies, excesses and weaknesses with regard to staffing; agency is not required to disclose government staffing estimates during discussions.

DECISION

DynCorp, Lockheed Support Systems, Inc., VFB Joint Venture, and Ogden Allied Eastern States Maintenance Corporation protest the award of a contract to ITT Federal Services Corporation 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. The protesters assert that the agency improperly did not disclose its staffing requirements so that offerors could compete on an equal basis; that the award selection was unreasonable; that the agency improperly mechanically used the government's staffing estimates to evaluate technical and cost proposals without regard to the individual technical approaches; and that the discussions, particularly those pertaining to staffing, were inadequate.

We deny the protests.

The Army uses Camp Doha to conduct military exercises for all branches of the military and to support contingency/combat operations in the region around Kuwait. The RFP was issued on November 29, 1993, to procure base operations and management support services under a cost-plus-award-fee contract for a base year with 4 option years. Base operations and support functions at Camp Doha include providing supplies and services; material maintenance; installation transportation; installation support; information management; administration; operations; morale,

welfare, and recreation activities; and security. The core requirement is that of maintaining and issuing supplies and equipment for military exercises and contingency/combat operations. Emphasis is placed upon maintaining and supplying heavy tracked combat vehicles, other tactical vehicles, and related armaments, ammunition, electronics, and repair parts.¹ The RFP indicated that the contractor was to maintain 8,807 items of combat and combat support equipment with two optional supplemental schedules to accommodate increased equipment: supplemental schedule I increased the equipment under the contract by 14,684 items and supplemental schedule II increased the equipment by another 7,356 items.

According to the Army, circumstances in Kuwait create unique technical, cost, and schedule risks not typically involved in base operations and support contracts. For example, the Army reports that the services are broad in scope, complex, performed in a unique environment--i.e., facilities and working conditions are not sophisticated--and have direct national security implications. Furthermore, the services are labor intensive, which significantly affects cost projections due to uncertainties created by the exercise schedules, unforeseen contingencies, and unknowns associated with maintaining combat support equipment. Finally, the Army advises that the schedule requires intensive planning and coordination to ensure that equipment is mission capable and usable within tight time frames.

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 "quality"

¹The military units conduct exercises and live fire training in actual desert conditions, which include four major exercise rotations a year, as well as other exercises and contingency operations. The equipment requiring maintenance and supply includes such combat vehicles as the M1A1 Abrams Main Battle Tank, the M2A2/M3A2 Bradley Infantry Fighting Vehicle, the M113 Armored Personnel Carrier, and the M109 Self-Propelled Howitzer, and other tactical vehicles as the High Mobility Multi-Purpose Wheeled Vehicle, armored personnel carriers, fuel trucks, and 2-1/2 ton cargo trucks.

evaluation factors and subfactors were listed in descending order of importance:

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

The technical evaluation factor was said to be of approximately equal importance to the management and quality control factors combined, while the management factor was somewhat more important than the quality control factor. Offerors were informed that the "quality" factors were slightly more important than cost. The cost factor was not point scored.

The RFP included detailed proposal preparation instructions that required offerors to describe the specific resources (i.e., people, equipment, and material) and the methodology proposed to accomplish the work. This description was to include a narrative of, among other things, "[t]he number of personnel performing the work" and "[m]ethods, if any, for cross-utilization of assigned personnel." The RFP did not specify any particular labor mix or number of personnel, but encouraged offerors to develop their technical approach (in terms of organization, staffing, and management) based upon the statement of work. The RFP warned that proposals that were unrealistic in terms of resources or procedures, or unrealistically low in terms of cost would be deemed reflective of an inherent lack of technical competence, or indicative of a failure to comprehend the complexity and risks of the contractual requirements.

The Army received eight proposals in response to the RFP. The initial proposals were evaluated by a source selection evaluation board (SSEB). The initial technical proposals

were rated adjectivally under the various factors and subfactors for each of the RFP's specified functions.² These ratings were then converted to point scores. Cost proposals were evaluated with regard to the specified subfactors with the assistance of the Defense Contract Audit Agency; in so doing, the SSEB compared each offeror's proposal to an independent government cost estimate (IGE).³ Five offers were determined to be in the competitive range, while three offers were excluded.⁴ The proposals of DynCorp, Lockheed, VFB, Ogden, and ITT were included in the competitive range.

Prior to discussions, the Army provided each offeror with written notice of the deficiencies, errors, omissions, and areas in need of clarification found during the evaluation of their proposals.⁵ Oral discussions were then conducted with the competitive range offerors and best and final offers (BAFO) submitted. The SSEB assigned adjectival and numerical ratings to the offerors' technical BAFOs, which were converted into weighted overall numerical scores.

²The adjectival ratings were outstanding, excellent, satisfactory, marginal, and unacceptable.

³The IGE was developed as an aid to judge the reasonableness and realism of the proposal costs and to evaluate the risks and acceptability of each offeror's proposed technical and management approach. Along with detailed cost breakdowns, the IGE contained the Army's estimate of manning levels, including the ratio of United States (US) citizens to "third country nationals" (TCN). The agency's estimated manning levels and ratio of United States personnel to TCNs were not revealed in the RFP.

⁴This Office denied a protest by one of the eliminated offerors in Intelcom Support Servs., Inc., B-257037, Aug. 23, 1994, 94-2 CPD ¶ 77.

⁵The notice informed offerors that a deficiency was an aspect of the proposal that may make it unacceptable or seriously affect the rating of the proposal, an error was a minor clerical mistake, an omission was information required by the RFP that was not contained in the proposal, and an area of clarification was an aspect of the proposal that required additional information or explanation.

In addition, the most probable cost of each proposal was calculated.⁶ The final evaluation results were as follows:

<u>Offeror</u>	<u>Score</u> ⁷	<u>Proposed Cost</u>	<u>Probable Cost</u>
ITT	82.48	\$226 million	\$278 million
Ogden	80.37	\$173 million	\$268 million
VFB	80.34	\$135 million	\$256 million
DynCorp	80.13	\$270 million	\$290 million
Lockheed	78.09	\$189 million	\$337 million

After the final evaluation, the Source Selection Advisory Council (SSAC) recommended award to ITT as the offeror whose proposal represented the best value to the government. The SSAC determined that although the numerical weighted score created the impression that proposals were substantially equal, the SSEB's narrative results and documentation revealed significant technical differences and that ITT's high technical score represented real technical superiority. For example, the SSAC found that only ITT and DynCorp proposed staffing that approached the IGE's manning levels, which the SSAC considered to be a better indicator of what it would take to accomplish the contract work than the staffing proposed by the other offerors; this was considered to be "the main driver on cost and probability of mission success." The SSAC concluded that ITT's proposal represented the best balance between technical and cost factors, given ITT's highest technical score, particularly for the mission essential functions, and its proposed reasonable costs for its technical approach.

The source selection authority adopted the SSAC's recommendation and documented his reasons for selecting ITT. The Army made award to ITT on July 29. Between August 5 and 12, these protests were filed. On August 12, the Army approved a determination to proceed with performance of the contract, notwithstanding the protests.

⁶In calculating probable cost, the SSEB's cost committee took into account each offeror's individual technical approach and, using the IGE as a baseline, adjusted the proposed manning levels and mixes in labor categories that were considered to be deficient or overstaffed to calculate the probable cost of each competitive range offeror's proposal.

⁷The Army made minor adjustments to the technical scores after award in order to correct a calculation error. We only report the corrected scores and ranking because the error was insignificant.

The protesters first assert that the wide disparity between the offerors' proposed costs shows that the RFP did not adequately set forth the Army's requirements, particularly with regard to staffing. The protesters claim that the Army should have revealed the required manning levels and that the failure to do so resulted in offerors competing on an unequal basis.

An agency generally is not required to disclose its preferred staffing or manning level in the solicitation, and it is not improper for an agency to evaluate either technical or cost proposals for adequacy against an undisclosed reasonable estimate of appropriate manning, provided the RFP notifies offerors that staffing is an area of evaluation. See Intelcom Support Servs., Inc., supra; P.E. Sys., Inc., B-249033.2, Dec. 14, 1992, 92-2 CPD ¶ 409.

Here, the RFP specifically put offerors on notice that staffing was a critical area of evaluation. Offerors were required to describe the number of personnel that would perform the work and were advised that deficient resources or unrealistic costs could result in the rejection of their proposals. The undisclosed IGE, which included manning levels, reflected the agency's judgment of what the contract should cost based upon the Army's on-site experience with personnel, equipment, and services at Camp Doha; the protesters have not shown, nor can we find, that the IGE was not a reasonable reflection of the agency's requirements. See Aerostat Servs. Partnership, B-244939.2, Jan. 15, 1992, 92-1 CPD ¶ 71. In these circumstances, we find no reason to question the Army's use of a reasonably based, undisclosed manning model to assess the adequacy of the protesters' proposed manning levels and the realism of their proposed costs.

Although the protesters make much of the disparity in offerors' proposed staffing levels and costs, it is apparent that this was simply the result of the different technical approaches proposed by each offeror to meet the statement of work. Given the latitude granted to offerors to design a technical approach to meet requirements, such a result is not unusual and does not, by itself, reflect any inadequacy in the RFP.

The protesters next argue that the Army improperly determined that ITT's BAFO represented the best value, in that ITT's proposal was scored only slightly higher technically as compared to the other competitive range proposals while its most probable cost was not the lowest. In this regard, the protesters maintain that the Army could not reasonably conclude that ITT's small numerical technical superiority was worth the up to \$22 million in additional cost, given the RFP's evaluation scheme, which accorded only

slightly more importance to technical "quality." DynCorp, the incumbent contractor, argues that its proposal was the best value, given the emphasis on staffing concerns, because DynCorp's manning levels and mixes were actually the closest match to the Army's needs, and its probable cost most closely matched the IGE.

Source selection officials in negotiated procurements have broad discretion in determining the manner and extent to which they will make use of the technical and cost evaluation results. Grey Advertising, Inc., 55 Comp. Gen. 1111 (1976), 76-1 CPD ¶ 325. Agencies may make cost/technical tradeoffs 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 selection official's judgment concerning the significance of that difference was reasonable and adequately justified in light of the RFP evaluation scheme. TRI-COR Indus., Inc., B-252366.3, Aug. 25, 1993, 93-2 CPD ¶ 137. It is not our function to independently evaluate proposals and substitute our judgment for that of the agency, so we will review the agency's justification based upon its rationality and consistency with the established evaluation factors. General Servs. Eng'g, Inc., B-245458, Jan. 9, 1992, 92-1 CPD 336.

Based on our review and as discussed further below, we cannot conclude that the Army acted unreasonably in determining that ITT's highest technically rated proposal with the third lowest most probable cost represented the best value to the government. The Army considered ITT's proposal to be clearly technically superior to the other proposals, notwithstanding the close proximity in numerical scores. The SSAC source selection authority found that the compression of the technical point scores was caused by the multitude of evaluated areas and the conservative approach taken by the evaluators; in light of the evaluators' narrative comments, it did not consider the proposals to be essentially equal and found that ITT's 2-point advantage represented real technical superiority.

The major discriminator between ITT's proposal and those of Ogden, VFB and Lockheed was that these protesters' proposals reflected, in the agency's view, significant understaffing while ITT's manning levels more closely approached the IGE levels which the agency considered to be most reflective of what it would take to successfully perform the contract.⁸

⁸The manning level estimate contained in the Army's IGE was 1307. The competitive range offerors' BAFO manning levels were as follows:

(continued...)

The source selection documents reveal that the Army, primarily because of that staffing differential, viewed ITT's proposal as reflecting a superior technical approach and understanding that was worth the additional cost associated with it. We see nothing arbitrary or unreasonable in that conclusion.

The protesters nevertheless argue that the Army's technical and cost evaluations were improper because the Army allegedly evaluated proposals by mechanically applying the IGE to the offerors' respective manning levels without regard to the individual technical approaches of each offeror. The record does not support these assertions.

While the evaluation documents reflect that the Army considered the difference between the protesters' respective manning levels and the IGE in evaluating their manning, it did so only after considering and evaluating the offerors' individual technical approaches. The Army conducted discussions with the protesters with regard to their proposed manning levels and provided them the opportunity to supplement and/or justify their proposed manning levels. Ogden's, Lockheed's, and VFB's technical approaches as clarified in their BAFOs reflected staffing levels in key areas significantly below the IGE and technical approaches that did not persuade the Army that their respective proposed manning levels evidenced anything other than a lack of understanding of the agency's requirements.

For example, a review of these protesters' proposals, including BAFOs, and the evaluation documentation thereof in the key area of Material Maintenance staffing--which represented a large percentage of the estimated staff for this contract--demonstrates that the SSEB simply was not persuaded by the protesters' technical approaches in this area or their BAFO responses to the discussion questions concerning staffing. Specifically with regard to VFB, the SSEB observed that its "BAFO material maintenance organization reflects omissions or misunderstandings about the RFP requirements, and presents a very high likelihood of significant technical risk." With regard to Lockheed's BAFO in this area, the SSEB observed that Lockheed's staffing increase in its material maintenance organization was not considered "significant," despite the pointed discussions; that Lockheed "remains unable to perform the material maintenance tasks described in the RFP without presenting a serious technical risk; and that there was inadequate provision in Lockheed's technical approach with regard to

¹(...continued)

[DELETED]

some of the discrete maintenance functions, e.g., preventive maintenance checks and services (PMCS) and road marching. Finally, with regard to Ogden's BAFO, the SSEB observed that Ogden's "material maintenance proposal reveals some misunderstandings about the RFP requirements and presents an almost high likelihood of significant technical risk."

Except to complain that the Army's evaluation reflects a mechanical application of the IGE in evaluating their proposals, neither VFB nor Lockheed identifies with any specificity (nor does our review reveal) any reason why the agency's conclusions are not reasonably based.

Ogden asserts that its proposal evaluation allegedly suffered because it proposed cross-utilization of personnel to meet the agency's requirement for PMCS/road marching and direct support/general support (DS/GS) maintenance.⁹ Ogden argues that its BAFO was misevaluated in this area because the Army only considered the number of staff proposed for the unit charged with particular task without regard to the number of personnel proposed through cross-utilization. Alternatively, Ogden contends that the Army had a mandatory undisclosed requirement that PMCS/road marching and DS/GS maintenance be performed by an independent unit.

The RFP encouraged offerors to propose innovative technical approaches to meet the contract requirements and expressly authorized use of cross-utilization of personnel as a method to satisfy the agency's requirements. As Ogden notes, its BAFO staffing increased for this area because it designated personnel in other material maintenance areas to be cross-utilized to perform the PMCS/road marching and DS/GS organizational functions with the designated unit. The Army's evaluation documentation focused specifically upon the number of personnel that Ogden had proposed in the unit itself, which the Army correctly determined declined in actual numbers in Ogden's BAFO. While Ogden argues that this shows that the agency misevaluated its proposal because the agency did not consider the personnel to be cross-utilized, the record shows that the Army downgraded Ogden's proposal because of significant understaffing for the overall material maintenance function, such that the value of Ogden's proposed cross-utilization, which was recognized, was offset. In this regard, we note that the Army's evaluation documentation reflects that Ogden received an overall rating of medium-outstanding in the material maintenance area for cross-utilization of personnel, while it received only a high marginal rating for number of

⁹In the area of material maintenance, the RFP required the contractor to perform PMCS, road marching, and DS/GS maintenance with certain equipment identified in the RFP.

employees, since the Army considered its technical approach to be understaffed in this area, notwithstanding Ogden's proposal to cross-utilize personnel. As indicated below, the Army, during discussions, specifically brought Ogden's lack of adequate staffing in the area of material maintenance to that firm's attention as a deficiency. Moreover, there is no evidence that suggests that the Army required that PMCS/road marching and DS/GS performed by an independent unit--as indicated, cross-utilization was considered but Ogden's overall material maintenance staffing was considered inadequate.

As for DynCorp, it asserts that its staffing more closely approaches the agency's requirements than does ITT in that it includes more U.S. personnel, such that it offered the best value to the government. DynCorp, however, has not shown that its lower technical rating was unreasonable. First, the agency found (and so indicated to DynCorp during discussions) that its proposal contained significant US/TCN staffing mix imbalances (e.g., too many U.S. personnel for some functions and too few for others). Also, contrary to DynCorp's argument, although it is apparent that relative proposed staffing was a significant discriminator in evaluating the proposals, it was not the only technical evaluation factor; the record reflects that DynCorp's proposal had other weaknesses that reasonably led to a rating lower than ITT's--for example, a marginally qualified deputy program manager and inadequate plans.

DynCorp also argues that the Army did not consider ITT's apparent proposal of too few U.S. personnel overall, as compared to the IGE. The record shows that this shortfall was noted and resolved by the evaluators in the area of Material Maintenance staffing, where the difference between ITT's and the IGE's U.S. personnel staffing primarily existed. ITT's overall staffing for this function was considered "excellent," notwithstanding that the US/TCN ratio was "inverse" to that indicated in the IGE, i.e., ITT proposed significantly fewer U.S. personnel than indicated in the IGE for this function. The SSEB's concerns about this staffing mix problem were expressly discussed and assuaged by the particular "excellent" maintenance approach indicated in ITT's technical proposal that the evaluators found posed "very limited technical risk."¹⁰

¹⁰DynCorp also asserts that the relatively large difference between ITT's proposed cost and probable cost (\$52 million), even though less than the probable cost adjustments made to VFB's, Ogden's, and Lockheed's proposed costs, indicated that ITT's technical approach was basically unacceptable. We disagree. A large difference between proposed and

(continued...)

In sum, the record indicates that the agency did consider the offerors' individual technical approaches and did not merely mechanically employ the IGE staffing in determining that ITT's proposal was technically superior to other competitive range proposals. The award selection based on ITT's evaluated superiority did not represent, as alleged by the protesters, an elevation of the relative weight of the slightly more important "quality" factor, but was a reasonable and adequately documented judgment that ITT's technical merit offset the possible cost savings associated with some of the lower rated proposals.¹¹ See TRI-COR Indus., Inc., supra. With respect to cost, however, the protesters also assert that the probable cost evaluation was unreasonable because it too represents a mechanical application of the IGE.

The record shows that the Army calculated the most probable cost of each offeror's proposal using the IGE manning levels and US/TCN mixes as a benchmark. Each offeror's proposed manning levels were evaluated by comparing the offeror's proposed manning to the IGE in each of the contract functions. The Army, after making this comparison, developed an adjusted IGE for each proposal that apparently reflected the number of personnel that the evaluators determined were necessary to do the work for each area, based upon the offeror's methodology and technical approach, as well as the government's assessment of what staffing was necessary¹²--each offeror's adjusted IGE staffing level was

¹⁰(...continued)

probable costs does not necessarily reflect on the acceptability or merits of the technical proposal. CACI, Inc.,--Fed., 64 Comp. Gen. 71 (1984), 84-2 CPD ¶ 542. Here, as indicated above, ITT's "excellent" technical approach satisfied the agency that there was little performance risk, notwithstanding the areas where the agency believed ITT's costs were understated.

¹¹VFB has presented numerical "proof" that it should have been selected by assigning numbers to the cost factor and focusing on the "slight" amount that technical factors are weighted more than cost that it should have been selected for award. VFB's analysis does not show the agency's cost/technical tradeoff, in which the agency found that ITT's technical superiority to VFB's--which was primarily attributable to VFB's significant understaffing--outweighed any possible cost savings, was unreasonable. See TRI-COR Indus., Inc., supra.

¹²There is sparse documentation concerning the development of the adjusted IGE for each proposal and the reasons for the specific numbers contained therein.

different.¹³ After determining the cost per person for the additional staff, where needed, based upon the offeror's own proposal costs, the Army determined the most probable cost of each offeror's proposal by factoring in the cost of the additional personnel to the offeror's proposed estimated cost. Thus, the record indicates that, rather than mechanically applying the IGE, the Army independently analyzed each offeror's proposed costs, based upon their individual technical approaches and using the IGE as a baseline; we find no basis to object to this analysis.¹⁴ See CACI, Inc.--Fed., supra.

DynCorp asserts that in calculating ITT's probable cost, the agency changed ITT's proposed US/TCN staff mix. While the record essentially confirms DynCorp's allegation, the record also shows, as discussed above, that the evaluated U.S. personnel shortfall in ITT's proposal was mitigated by its "excellent" technical approach that suggested to the technical evaluators that ITT would be successful in performing the contract functions, even if the additional U.S. personnel were not added. In contrast, the record shows that DynCorp's US/TCN staff mix was considered to be a weakness of its proposal--an evaluation which DynCorp has not shown to be unreasonable. Under the circumstances, we cannot say that DynCorp was prejudiced by this evaluation,

¹³For example, some offerors' approaches resulted in no staffing or cost adjustments under a specific function due to the evaluation of their technical approaches and proposed manning. In some instances, an offeror's proposed manning levels were adjusted above the raw IGE manning estimates in a functional area due to the evaluation of their technical approaches; in other instances, an offeror's manning level was adjusted to slightly below the raw IGE manning estimate in an area.

¹⁴While Ogden argues that the Army failed to consider costs savings associated with its cross-utilization approach to PMCS/road marching and DS/GS maintenance, the record, as discussed above, clearly reflects that the Army did not favorably view Ogden's approach to meeting these requirements because Ogden's proposal was significantly understaffed for the overall maintenance function. Based upon our review, we cannot conclude that the Army's evaluation of Ogden's cost proposal for the material maintenance function was unjustified or inconsistent with the technical evaluation of its approach. In other words, we think that the Army was not required to associate cost savings to Ogden's proposal to cross-utilize after reasonably finding Ogden's proposal to be understaffed for overall material maintenance function.

inasmuch as only ITT can be said to be prejudiced by the increase in its probable cost of its acceptable proposal caused by the addition of U.S. personnel.¹⁵

The protesters next maintain that the discussions were inadequate because the Army failed to advise them exactly the degree to which their staffing deviated from the IGE. DynCorp also argues that its proposal reflected higher costs because it offered a higher percentage of U.S. employees to TCNs, and that the Army should have pointed out its specific desired labor mix during discussions.

Where an agency conducts discussions with offerors, as was the case here, the discussions are legally adequate if offerors are advised of the weaknesses, excesses, and deficiencies in their proposals. See TAMS/Fluor Daniel, B-251068; B-251068.2, Mar. 2, 1993, 93-1 CPD ¶ 199. Discussions need not be all encompassing, but in general must lead offerors into the areas of their proposals which require amplification or correction without being misleading. P.E. Sys., Inc., supra. If an agency uses an undisclosed manning estimate to evaluate proposals, then the agency should conduct discussions with offerors whose proposals substantially deviate from the estimate to learn the reasoning for the offeror's particular approach and to ascertain if the offeror's manning can satisfy the requirements. Columbia Research Corp., B-247631, June 22, 1992, 92-1 CPD ¶ 539.

The written discussion notices to the protesters (as well as the notes on the oral discussions) evidence that the Army's discussions with each protester included the particular deficiencies, excesses, and weaknesses in their respective technical approaches with regard to staffing. For example, under deficiencies, the notice to Ogden stated that for material maintenance "[m]anning is insufficient to support the [Road marching and DS/GS maintenance] requirement," and under transportation Ogden was told of the "[n]eed to staff maintenance of the nontactical vehicles fleet." Similarly,

¹⁵Ogden and Dyncorp also question the propriety of the Army's evaluation of ITT's most probable cost, arguing that it is based on a higher proposed staffing level than actually proposed by ITT. This contention has no merit. The record shows that the probable cost analysis was in fact based on the staffing proposed in ITT's BAFO. While this contention apparently arose out of an inexplicable discrepancy regarding ITT's staffing levels in the technical evaluation documentation, there is no indication that it materially impacted the technical evaluation, since the agency was fully cognizant of ITT's actual staffing levels and technical approach.

the notice to VFB under deficiencies stated that for material maintenance "[p]roduction planning and control staffing needs to be reexamined to determine if understaffed . . . [s]ame comment for DS/GS maintenance section." The notice to Lockheed under deficiencies stated for supply and services that "[s]ufficient staffing is not apparent," for material maintenance that "[s]ufficient staffing is not apparent," and for transportation "[e]xamine the staffing . . . ensure it is adequate." Although understaffing was not generally a problem for DynCorp, the Army directed it to "examine staffing to determine if it is overstated for current, interim and final density and [e]xplain staffing levels proposed" and under material maintenance to "relook U.S. vs. TCN mix."

Our review of the discussions, including the specific examples referred to above, confirms that the Army properly and sufficiently pointed out to each protester the agency's primary concerns regarding proposal staffing.¹⁶ The protesters do not dispute that such discussions occurred but, as noted, complain about not being informed of the their precise deviation from the IGE staffing and labor mix. As indicated above, the Army was not required to disclose the IGE manning levels and mixes during discussions. See Sterling Servs., Inc.; Trim-Elite, Inc., B-229926.5; B-229926.6, Oct. 3, 1988, 88-2 CPD ¶ 306. As one of the purposes of discussions is to ascertain whether an offeror understands the requirements of the solicitation, the Army reasonably chose not to disclose the precise IGE staffing levels. See J.G. Van Dyke & Assocs., B-248981; B-248981.2, Oct. 14, 1992, 92-2 CPD ¶ 245. The seriousness of the understaffing problems was adequately conveyed here, however, because the specific areas of concern were identified as "deficiencies," which offerors were expressly advised in the discussion notice "was an aspect of the proposal that may make it unacceptable or seriously affect the rating of the proposal."

DynCorp complains that the Army's discussion questions only focused upon its US/TCN mix in critical job positions, without mentioning the US/TCN mix with regard to the entire material maintenance function. DynCorp's assertion,

¹⁶Although the protesters argue that the cost aspects of their proposals were not discussed, our review also confirms that where appropriate the agency directed the protesters to consider the cost implications of their respective technical approaches. For example, DynCorp complains that it was not advised that its proposed cost was considered too high; however, the agency reasonably found that DynCorp's cost proposal was reflective of its technical approach so such a statement would have been inappropriate.

however, is based upon what it believes would have allowed it to obtain the award. As noted, the Army did not determine DynCorp's US/TCN mix or manning levels for material maintenance to be deficient, and the record shows that DynCorp's manning mix reflected its particular technical approach. Discussions are not required to ensure ultimate award and thus the Army was not required to advise DynCorp that its US/TCN mix was not the most competitive (although here the agency certainly pointed DynCorp in this direction during discussions). See Global Assocs., B-244367.3, Feb. 26, 1992, 92-1 CPD ¶ 229.¹⁷

Based on the foregoing, we find no basis to conclude that the ITT award was improper.

The protest is denied.

Robert P. Murphy
General Counsel

¹⁷Ogden also points out that in making the source selection the Army noted that its high level of subcontracting was considered to be a weakness, but the Army did not point this out during discussions. Here, the Army only considered Ogden's high level of subcontracting to be a relative weakness inherent in Ogden's technical approach; an agency generally is not required to point out every weakness in a technically acceptable proposal. See Global Assocs., *supra*. In any event, since Ogden does not assert, nor does it appear likely, that it would have changed its proposal approach to drop subcontractors--which also were a strength of Ogden's proposal--we cannot conclude that Ogden was prejudiced by the agency's failure to mention this concern during discussions. See Joule Eng'g Corp.--Recon., 64 Comp. Gen. 540 (1985), 85-1 CPD ¶ 589.