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**Comptroller General
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**United States Government Accountability Office
Washington, DC 20548**

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Decision

Matter of: General Dynamics Information Technology, Inc.

File: B-406030; B-406030.3

Date: January 25, 2012

Kevin C. Dwyer, Esq., Edward Jackson, Esq., Kathy C. Weinberg, Esq., Damien C. Specht, Esq. and Charles L. Capito, Esq., Jenner & Block LLP, for the protester. Thomas C. Papson, Esq., Jason A. Carey, Esq., Luke W. Meier, Esq., Kevin T. Barnett, Esq., and John A. Ziegler, Esq., McKenna Long & Aldridge LLP, for IBM Corporation, the intervenor. Stephani L. Abramson, Esq., National Archives and Records Administration, for the agency. Cherie J. Owen, Esq., and Sharon L. Larkin, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Agency's evaluation of quotations and its selection of a lower-rated, lower-priced quotation for issuance of a task order, in a procurement where technical considerations were more important than price, were unobjectionable where the evaluation was reasonable, consistent with the solicitation's terms, and supported by the record.

DECISION

General Dynamics Information Technology, Inc. (GDIT), of Fairfax, Virginia, protests the National Archives and Records Administration's (NARA) issuance of a task order to IBM Corporation, of Bethesda, Maryland, to provide operations and maintenance support for NARA's electronic records archive (ERA) under request for quotations (RFQ) No. NAMA-11-Q-0012. GDIT contends that the agency conducted a flawed source selection and improperly selected IBM on the basis of a quotation that was ineligible for selection.

We deny the protest.

BACKGROUND

Under its ERA program, NARA receives, preserves, and provides access to the electronic records of all three branches of the United States government. ERA is a comprehensive information system that will be able to accept any kind of electronic record—regardless of the hardware or software used to create it—preserve it, and make it accessible in the future. Contracting Officer’s (CO) Statement at 1. The RFQ here sought a contractor to provide operations, management, and support of the datacenter resources that cover networking, storage, records ingest, processes, IT security, backup and recovery, help desk/service desk functions, and corrective/adaptive maintenance of the ERA systems. Id. at 2; RFQ, Performance Work Statement.

The agency issued the RFQ on March 7, 2011, pursuant to General Services Administration Federal Supply Schedule (FSS) procedures, as set forth at Federal Acquisition Regulation (FAR) subpart 8.4. The solicitation contemplated issuing an order under the vendor’s FSS contract for contract line item numbers (CLINs) that were fixed price, time and materials, or a combination of both. RFQ at 5. The order would be for a one-year base period, and nine 1-year option periods. Id. at 6-27. The RFQ advised vendors that the order would be placed on a best value basis, considering price and the following non-price evaluation factors: management plan, technical approach, past performance and relevant experience, and key personnel.¹ Id. at 93. The non-price evaluation factors were of equal importance and, when combined, were more important than price. Id.

NARA received five quotations in response to the RFQ. AR at 2. The agency assembled a technical evaluation team (TET) comprised of five members who individually evaluated quotations, then met and developed a consensus rating for the vendors under each evaluation factor. AR, Tab 13, TET Final Report, at 6-7. The TET assigned the following ratings and rankings to the five vendors:

	Management Plan	Technical Approach	Past Performance/ Relevant Experience	Key Personnel	Overall Ranking: Non-price Factors
GDIT	Outstanding	Outstanding	Outstanding	Good	1
IBM	Marginal	Good	Outstanding	Good	3
Vendor 3	Good	Good	Outstanding	Good	2
Vendor 4	Good	Acceptable	Outstanding	Acceptable	4
Vendor 5	Marginal	Acceptable	Acceptable	Acceptable	5

¹ Non-price factors were to be evaluated using the following adjectival ratings: outstanding, good/better, acceptable, marginal, and unacceptable. AR, Tab 5, Vendor Screening Plan, at 25.

AR, Tab 13, TET Final Report, at 8. At the same time, the agency's price evaluator evaluated the vendors' proposed prices, and prepared a price evaluation report. See AR, Tab 14, Final Price Evaluation Report. IBM's evaluated price was \$243,724,294, while GDIT's proposed price was \$269,250,102--a difference of approximately \$25.6 million, or 10.47 percent. AR, Tab 15, Vendor Selection Report, at 22.

Prices were then disclosed to the TET, which performed a price/technical tradeoff and determined the best value rankings of vendors. AR, Tab 15, Vendor Selection Report, at 5. In its 28-page vendor selection report, the TET chair summarized the source selection recommendations. The vendor selection report included a detailed comparative analysis of the quotations submitted by GDIT and IBM, and set forth ten bullets supporting the agency's conclusion that the value of GDIT's proposed enhancements did not justify the price premium associated with that vendor's quotation. *Id.* at 23-24. For example, the selection report stated that while GDIT's offer of [deleted] constituted an enhancement, the agency has no current plans to [deleted]. *Id.* at 24. In another example, the selection report noted that GDIT proposed to [deleted], which would provide an efficient operations and maintenance support model. However, the TET found that this enhancement was not supported by the price premium. *Id.* Therefore, the TET determined that the quotation submitted by IBM represented the best value to the government and, in conjunction with the CO, recommended that IBM receive the order. *Id.* at 5, 23-27; AR, Tab 16, SSA Briefing, at 49-51; AR, Tab 17, Memorandum to SSA.

The source selection authority (SSA) was briefed on the evaluation findings and recommendations, reviewed the vendor selection report as well as the price and technical evaluation reports, and concurred that the order should be issued to IBM. AR at 17 n.10; CO Statement at 13. This protest followed.

DISCUSSION

GDIT contends that the agency failed to comply with the RFQ's stated evaluation scheme, issued the order on the basis of a quotation that was technically unacceptable, and failed to consider one of the weaknesses assigned to IBM's quotation.²

² GDIT raised a number of additional arguments in its initial protest and supplemental protest that were not addressed in its comments on the agency report or supplemental comments, respectively. We consider all of the issues that were raised in the protest, addressed by the agency in its report, and not addressed in the protester's comments (and all of the issues that were raised in the supplemental protest, addressed by the agency in its supplemental report, and not addressed in the (continued...)

Where, as here, an agency issues an RFQ to GSA FSS contractors under FAR subpart 8.4 and conducts a competition, we will review the record to ensure that the agency's evaluation is reasonable and consistent with the terms of the solicitation and applicable procurement laws and regulations. Digital Solutions, Inc., B-402067, Jan. 12, 2010, 2010 CPD ¶ 26 at 3-4; DEI Consulting, B-401258, July 13, 2009, 2009 CPD ¶ 151 at 2. A protester's mere disagreement with the agency's judgment does not establish that an evaluation was unreasonable. DEI Consulting, supra.

Marginal Rating

First, GDIT contends that issuance of an order to IBM was improper because that firm's quotation was rendered technically unacceptable by virtue of its rating of marginal under the management plan evaluation factor. Supp. Protest at 19. Specifically, the protester states that based on the generally accepted definitions of a marginal rating, a final rating of marginal under any of the evaluation factors would render the quotation ineligible for selection. Id. The agency notes, and the protester does not dispute, that marginal is not defined in the RFQ or elsewhere in the planning or evaluation documents. Supp. AR at 15.

While the protester cites decisions in which a vendor with a marginal rating was considered to be technically unacceptable, we note that in each of the cases cited, the solicitation dictated that a rating of marginal would render a proposal or quotation unacceptable. See, e.g., New Dynamics Corp., B-401272, July 8, 2009, 2009 CPD ¶ 150 at 3; OMNIPLEX World Servs. Corp., B-282630.2, Sept. 22, 1999, 99-2 CPD ¶ 64 at 3. Further, our office also has considered cases in which a rating of marginal was considered by the agency to be acceptable. See Optimum Mgmt. Sys., LLC, B-299322.3, May 23, 2007, 2007 CPD ¶ 106 at 2 n.1. Indeed, between the protester's and the agency's filings on this issue, more than six definitions of a marginal rating were cited. See Supp. Protest at 20; Supp. AR at 15-16.

Where, as here, the RFQ does not define an adjectival rating with specificity, the agency has a wide degree of discretion in its evaluation, so long as the agency's interpretation is reasonable. See United Terex, Inc.--Protest and Request for Costs, B-405070.3, B-405070.4, Sept. 27, 2011, 2011 CPD ¶ 197 at 4-5. The agency here considered IBM's marginal rating and the weaknesses that lead to the adjectival rating and how these would impact the overall best value decision. AR, Tab 15, Vendor Selection Report, at 6, 12-13; AR, Tab 16, SSA Briefing, at 15, 19-20, 49-51. In the absence of any definition for a marginal rating, the agency here determined that IBM's quotation met the RFQ's requirements and was therefore eligible for selection. On this record, we cannot find the agency's judgments unreasonable.

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protester's supplemental comments) to have been abandoned. Forest City Military Communities, LLC, B-299577, June 29, 2007, 2007 CPD ¶ 128 at 6 n.4.

“Missing” Weakness

The protester also contends that the selection of IBM was improper because the SSA was not informed of a past performance weakness associated with IBM’s quotation. Supp. Protest at 21. GDIT refers to a single comment on one of IBM’s past performance questionnaires, which suggested that higher than expected task order prices could indicate future problems in forecasting, managing, and controlling contract costs. *Id.* at 21-22 (citing AR, Tab 10, Initial TET Report, at 36). GDIT complains that this was noted as a weakness in the TET’s initial evaluation, but “disappeared” in the final TET report and was not reported to the SSA. Supp. Protest at 22.

The agency explains that the initially noted weakness was determined, after further consensus discussion, not to be a weakness, and therefore the SSA was correctly informed that no weaknesses existed with IBM’s past performance. Supp. AR at 17-18; Declaration of TET Chair at 2-4. The protester has not shown that the agency was unreasonable in concluding that an isolated questionnaire comment did not rise to the level of a weakness. Indeed, there is no requirement that an agency carry through an initially assigned weakness where, as here, the agency thoughtfully considered the issue and reasonably determined that the comment was not properly classified as a weakness. This protest ground is denied.

Trade-Off Decision

Finally, GDIT argues that because the agency issued the order based on IBM’s lower-priced, lower-rated quotation, the agency “flagrantly ignored its obligation under the [s]olicitation to give more weight to technical factors.” Supp. Protest at 2; see also Protest at 6-12; Supp. Protest at 9-19. GDIT also argues that by failing to accord the proper weight to technical merit, the agency effectively converted the procurement to a lowest-price, technically acceptable procurement by placing undue weight on IBM’s lower price and minimizing the protester’s higher-rated technical approach.³ Protest at 7; Supp. Protest at 9. We disagree.

³ The protester also attempts to bolster its argument by comparing the number of weaknesses in IBM’s and GDIT’s quotes, and converting that number to a percentage. Thus, the protester claims that it was impossible for the SSA to rationally find that IBM’s quotation represented the better value, given that IBM’s quotation was “saddled with [a] . . . shocking 567 percent disadvantage in [w]eaknesses.” Supp. Comments at 4. In essence, GDIT seeks a mathematical or mechanical consideration of the number of weaknesses in comparing the vendors’ proposals. However, our office has repeatedly rejected such arguments. See Wackenhut Servs., Inc., B-400240, B-400240.2, Sept. 10, 2008, 2008 CPD ¶ 184 at 7 (rejecting protester’s attempt to engage in a mathematical or mechanical comparison (continued...))

Where, as here, a procurement conducted pursuant to FAR subpart 8.4 provides for issuance of a task order on a “best value” basis, it is the function of the SSA to perform a price/technical tradeoff, that is, to determine whether one quotation’s technical superiority is worth its higher price. InnovaTech, Inc., B-402415, Apr. 8, 2010, 2010 CPD ¶ 94 at 6; The MIL Corp., B-297508, B-297508.2, Jan. 26, 2006, 2006 CPD ¶ 34 at 13. Even where a solicitation issued under FAR subpart 8.4 emphasizes technical merit over price, an agency properly may select a lower-priced, lower-rated quotation if the agency reasonably concludes that the price premium involved in selecting a higher-rated, higher-priced quotation is not justified in light of the acceptable level of technical competence available at a lower price. Belzon, Inc., B-404416 et al., Feb. 8, 2011, 2011 CPD ¶ 40 at 11; George G. Sharp, Inc., B-401077, B-401077.2, Apr. 15, 2009, 2009 CPD ¶ 87 at 6; LEADS Corp., B-311002, B-311002.2, Mar. 26, 2008, 2008 CPD ¶ 86 at 3. The extent to which technical superiority is traded for a lower price is governed only by the test of rationality and consistency with the stated evaluation criteria. Belzon, Inc., *supra*; InnovaTech, Inc., *supra*.

The record here reflects that the evaluators identified and documented, and the SSA considered, specific individual strengths and weaknesses associated with GDIT’s and IBM’s quotations. See AR, Tab 13, TET Final Technical Evaluation, at 7-20, 28-37, 55-65, 90-102; AR, Tab 15, Vendor Selection Report, at 5-9, 12-15, 22-24; AR, Tab 16, SSA Briefing, at 14-17, 19-20, 25-26, 28-29, 32-34, 37, 42-43, 45, 48-51. The agency’s evaluations accurately acknowledged the higher rating that GDIT’s quotation received in the areas of management plan and technical approach, but concluded that “while the strengths in [GDIT’s] proposal and the technical enhancements proposed are beneficial to [the] Government, ultimately these features are not worth a premium of over 10% in price.” AR, Tab 15, Vendor Selection Report, at 24. We find that the record adequately supports the agency’s source selection.⁴ Further,

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of the number of significant strengths in protester’s and awardee’s proposals); see also Nippo Corp., B-402363.2, May 5, 2010, 2010 CPD ¶ 112 at 5; Master Lock Co., LLC, B-309982.2, June 24, 2008, 2009 CPD ¶ 2 at 10; Medical Dev. Int’l, B-281484.2, Mar. 29, 1999, 99-1 CPD ¶ 68 at 9; Opti-Lite Optical, B-281693, Mar. 22, 1999, 99-1 CPD ¶ 61 at 5. Rather, adjectival ratings and point scores are mere tools in the evaluation and selection process and should not be mechanically derived or applied. Wackenhut Servs., Inc., *supra*.

⁴ The protester also contends that the selection decision was flawed because there is no documentation of whether, in addition to considering whether the price premium associated with GDIT’s quotation was justified by the advantages of GDIT’s quotation, the agency also considered whether the price premium associated with GDIT’s quotation was justified by the avoidance of IBM’s weaknesses. Supp. Protest at 15-19. There is no need for extensive documentation of every consideration factored into a tradeoff decision; the documentation need only be sufficient to

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given the well-documented price/technical tradeoff performed in selecting IBM's quotation for issuance of the order, we see no indication in the record that the agency, in making its source selection, placed undue emphasis on price or made its selection on a lowest-price, technically-acceptable basis.

The protest is denied.

Lynn H. Gibson
General Counsel

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establish that the agency was aware of the relative merits and costs of the competing proposals. The record here shows that the agency considered and documented in detail the relative merits of the quotations in its 28-page vendor selection report and 51-page SSA briefing. See AR, Tab 15, Vendor Selection Report; AR, Tab 16, SSA Briefing. Therefore, we find no merit in the protester's claim that the agency did not sufficiently consider or document all of the strengths and weaknesses associated with each quotation and the justification for choosing IBM's lower-rated, lower-priced quotation.