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Comptroller General
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United States Government Accountability Office
Washington, DC 20548

Decision

Matter of: ACG Systems Inc.

File: B-413419.3

Date: October 28, 2016

Timothy J. Carney, ACG Systems, Inc., for the protester.

Mark S. Christopher, Esq., and D. Randall Kemplin, Esq., Department of the Navy, for the agency.

Charmaine A. Stevenson, Esq., and Laura Eyester, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest alleging that the agency improperly evaluated the protester's proposal is denied where the evaluation was reasonable and in accordance with the solicitation's evaluation criteria.

DECISION

ACG Systems Inc., of Annapolis, Maryland, protests the rejection of its proposal under request for proposals (RFP) No. N65236-13-R-0016, issued by the Department of the Navy, for command and control commercial-off-the-shelf equipment, software and hardware licenses, maintenance associated with equipment, and renewals for software and hardware licenses, maintenance, and warranties. ACG argues that the agency's evaluation of its proposal was unreasonable and not in accordance with the solicitation.

We deny the protest.

BACKGROUND

The agency issued the RFP on January 8, 2015, as an unrestricted solicitation for indefinite-delivery, indefinite-quantity contracts, and reserved the right to make a single or multiple awards. RFP at 32. The solicitation contemplated award for a term of 1 year with four 1-year options, on a best-value basis, considering price and the following evaluation factors: reseller relationships/agreements; technical capability; past performance; and small business participation. *Id.* at 80-84. The value of the contracts was not to exceed \$750 million. *Id.* at 7.

With respect to the technical capability factor, the RFP stated that the evaluation would assess the offerors' depth of experience, that is, "the frequency in which an offeror has completed same or similar tasks across the range of tasks within the element," and the offerors' breadth of experience, that is, "the multiplicity or variety of programs and/or projects an [offeror] has completed [the] same or similar tasks and the range of tasks within the element." RFP at 119. As relevant to this protest, the technical capability factor had two subfactors: systems and equipment, and technical support services. Id. The technical support services subfactor required offerors to demonstrate experience in performing in two areas: maintenance, overhaul, troubleshooting and repair of systems or equipment; and configuration, integration, packaging, kitting and installing the equipment. Id. at 130.

To evaluate proposals under the technical capability factor, the proposal preparation instructions in the RFP required offerors to submit reference information sheets, which allowed offerors to use up to four additional pages to provide amplifying information for each contract reference. RFP at 129. Under the agency's evaluation scheme, the reseller relationships/agreements factor is more important than the technical capability factor, and within the technical capability factor, the systems and equipment subfactor is more important than the technical support services subfactor. Id. at 117-119.

The RFP advised offerors that proposals "shall be sufficiently specific, detailed, and complete to demonstrate clearly and fully that the offeror has a thorough understanding of the requirements for, and technical problems inherent in, the requirements of the solicitation." RFP at 127. The RFP further advised offerors that organization, clarity, accuracy of information, relevance, and completeness are of prime importance. Id. Statements such as "will comply" or "noted and understood," or responses that merely reiterate solicitation language, without "supporting narrative to define compliance," will not satisfy the RFP requirements. Id. The RFP cautioned offerors that proposals "must address the full scope of requirements as set forth in Sections L and M of the solicitation. Proposals which fail to address the stated requirements will be considered unacceptable." Id. at 125.

The RFP also advised offerors that a proposal receiving a rating of unacceptable in any non-price factor would result in the proposal being determined unacceptable and ineligible for award. RFP at 117. Further, under the agency's evaluation scheme, the reseller relationships/agreements and technical capability factors would be rated as outstanding, good, acceptable, marginal, or unacceptable; the past performance and small business participation factors would be rated as acceptable or unacceptable; and a proposal evaluated as containing one or more deficiencies was unacceptable and unawardable. Agency Report (AR), Tab 8, Source Selection Advisory Council (SSAC) Report, at 3.

The agency received 28 timely offers, including one from the protester. AR at 4. The agency convened a source selection evaluation board (SSEB) and SSAC to evaluate proposals. ACG's proposal was found to have two significant weaknesses under the technical support services subfactor. AR, Tab 7, SSEB Report, at 23-25. The first significant weakness was based on the SSEB's determination that ACG had failed to demonstrate experience performing maintenance, overhaul, troubleshooting and repair of systems and/or equipment. Specifically, the SSEB stated: "For each contract reference, the offeror's technical summaries failed to provide any specific supporting narrative substantiating its actual depth/breadth of experience regarding the PWS [] requirements." Id. at 23. As an example, the SSEB noted that although ACG stated that it had provided "software update services" when performing one of its referenced contracts, ACG had not "demonstrate[d] how the software updates were administered or provide[d] the details describing what ACG did to update the software." Id. The SSEB determined that the absence of this specific information precluded a finding that the contract references were relevant to the requirements. Id. at 24.

The second significant weakness was based on the SSEB's determination that ACG had failed to demonstrate experience performing configuration, integration, packaging, kitting and installation of equipment. Similar to the first significant weakness, the SSEB stated that for each contract reference ACG had provided, "the offeror's technical summaries failed to provide any specific supporting narrative substantiating its actual depth/breadth of experience with the requirements [] for the systems and equipment identified. . ." in the performance work statement (PWS). AR, Tab 7, SSEB Report, at 24. Although the SSEB did find that ACG had demonstrated that it had performed kitting under two of its reference contracts, it was unable to tie the summary experience that ACG had provided in its proposal to the specific requirements of the subfactor. Id. at 24-25. The SSEB further noted that it had been unable to distinguish between the work performed by ACG versus its subcontractor on one of its referenced contracts. Id. at 24.

The SSEB determined that the two significant weaknesses combined constituted a failure of the proposal to meet the government's requirements and a deficiency in ACG's proposal. AR, Tab 7, SSEB Report, at 25. The SSEB assigned a rating of unacceptable under the technical support services subfactor, resulting in a rating of unacceptable for the technical capability factor, and an overall technical rating of unacceptable.¹ Id. at 20 and 22. ACG was notified that it had not been awarded a contract on June 30, 2016. Following a written and then oral debriefing, ACG filed this protest.

¹ The other evaluation ratings for ACG's proposal were as follows: the reseller relationships/agreements factor, for both subfactors and overall, good; and the past performance and small business participation factors, acceptable. AR, Tab 8, SSAC Report, at 5.

DISCUSSION

ACG challenges the Navy's evaluation of its proposal. Specifically, ACG argues that the significant weaknesses identified by the SSEB and the resulting ratings of unacceptable are erroneous. According to ACG, the agency misunderstood common trade terms used in its proposal and failed to assign positive weight to its proposal based on the relevant contract references provided. Protest at 3. The agency argues that its evaluation was reasonable and consistent with the RFP's requirements.

In reviewing protests of an agency's evaluation and source selection decision, we do not reevaluate proposals; rather, we review the record to determine whether the evaluation and source selection decision are reasonable and consistent with the solicitation's evaluation criteria and applicable procurement laws and regulations. Jacobs Tech., Inc., B-411784, B-411784.2, Oct. 21, 2015, 2015 CPD ¶ 342 at 6-7. A protester's disagreement with the agency's judgment, by itself, is not sufficient to establish that an agency acted unreasonably. Id. The evaluation of proposals is a matter within the discretion of the procuring agency; we will question the agency's evaluation only where the record shows that the evaluation does not have a reasonable basis or is inconsistent with the solicitation. Hardiman Remediation Servs., Inc., B-402838, Aug. 16, 2010, 2010 CPD ¶ 195 at 3.

ACG challenges the first significant weakness assigned relating to experience performing maintenance, overhaul, troubleshooting and repair of systems and/or equipment. Protest at 6-7. ACG argues that the evaluators failed to evaluate its contract references, did not understand the definition of "software update services," or did not give adequate weight to at least one of its references "based upon the size, scope, and importance" of the contract to the customer. Id. at 7.

The agency responds that ACG's proposal failed to provide adequate details regarding the work it had performed to enable the SSEB to determine that ACG had the requisite experience to fulfill the subfactor requirements. AR at 19-21. The agency further explains that "software update services" is not an industry term with a common definition such that the evaluators should have understood these services to specifically encompass the subfactor requirements, and that ACG improperly attempts to cure this defect by providing explanatory details in its protest that are not present in its proposal.² Id. at 23-24. The agency asserts that ACG's

² The SSEB Chair stated that the evaluators considered what constituted software update services, and determined that it was such a broad term that it could "include as little as hitting 'agree' on a patch update pushed by the Original Equipment Manufacturer (OEM) to full configuration and testing updates." AR, Tab 11, Declaration of SSEB Chair at ¶ 4.

proposal reformulated the RFP language without providing a detailed narrative to demonstrate through its contract references that it could fulfill the requirements despite the solicitation's warning that this would not be sufficient to demonstrate its experience and ability. Id. at 20, 25 citing AR, Tab 7, SSEB Report, at 23. The agency further asserts that it was not required to infer the experience ACG may have gained based on the "importance" of the contract to the customer. Id. at 25-26.

On this record, we find the agency's assessment of a significant weakness here to be reasonable. ACG's proposal addressed the requirements in only a cursory fashion, completing the one-page reference information sheet and using less than one page to provide amplifying information for each of the ten contract references it had provided in its proposal.³ See AR, Tab 12, ACG Volume I Proposal, at 84-113. An offeror's technical evaluation is dependent on the information furnished, and an offeror that fails to submit an adequately written proposal runs the risk of having its proposal rejected as unacceptable. MILVETS Sys. Tech., B-411721.2, B-411721.3, Jan. 14, 2016, 2016 CPD ¶ 42 at 12; HealthStar VA, PLLC, B-299737, June 22, 2007, 2007 CPD ¶ 114 at 2.

ACG also challenges the second significant weakness assessed by the SSEB regarding experience performing configuration, integration, packaging, kitting and installation of equipment. Protest at 8-12. ACG argues that adequate information regarding its experience was provided in its reference information sheets as well as in the past performance evaluation forms demonstrating that it had successfully completed the contracts to enable the evaluators to determine that it had the requisite experience to fulfill the requirements. Id. at 8. ACG argues that its use of the word "logistics" in its proposal should have been sufficient for the evaluators to understand that its experience encompassed the subfactor requirements. Id. at 9-10. ACG also argues that there was no need for the evaluators to distinguish between the work it had performed versus the work its subcontractor performed for

³ As an introduction to its completed reference information sheets, ACG's proposal provided a one-page narrative entitled "Demonstrated Technical Capability" which briefly summarized its recent relevant experience, stating: "Because it was not abundantly clear to ACG as to where to include general additional information about our qualifications and bona fides beyond Past Performance and Contract References, we are including the below summary information for consideration." AR, Tab 12, ACG Volume I Proposal at 83. Thereafter, for each of its 10 contract references for which it provided the one-page reference information sheet, ACG used less than one page to provide brief summaries--in some instances only two or three lines of text--and then simply listed the equipment and services as enumerated in the RFP that it had deemed relevant to the contract reference, with no further explanation. See id. at 84-113.

one of its referenced contracts, because it had proposed this same subcontractor in its proposal. Id. at 11.

The agency responds that, as with the first significant weakness, ACG's proposal failed to provide a detailed narrative for its contract references that demonstrated ACG's capabilities with respect to the subfactor requirements. AR at 26-29. The agency argues that the term "logistics" is not a common trade term that it should have understood to encompass some or all of the requirements to perform configuration, integration, packaging, kitting and installation of equipment. Id. at 30-31. The agency also argues that it was not required to use information from ACG's past performance questionnaires to evaluate ACG's proposal under the technical capability factor, and that ACG's "success" in completing the reference contracts was not a criterion to be evaluated under this factor, and even so, in some instances the agency had not received past performance questionnaires for the contract references ACG had included in its proposal. Id. at 29-33. Finally, the agency argues that ACG did not include any subcontractors in its proposal, as evidenced by its failure to submit the RFP-required subcontract or teaming agreement, and did not include contract references or past performance questionnaires for any entity other than itself in its proposal. See id. at 36.

We find the agency's assessment of a significant weakness here to be reasonable.⁴ As previously noted, ACG's proposal addressed the requirements in only a cursory fashion, and did not provide the detailed narrative required by the RFP to demonstrate that ACG had previously performed the requirements and would be capable of fulfilling the agency's needs. We also find that to the extent ACG now asserts that its proposal included a proposed subcontractor, ACG's proposal did not comply with the RFP instructions such that the agency could have evaluated the alleged subcontractor under the evaluation criteria as contemplated by the RFP. As noted above, ACG's proposal did not include the RFP-required subcontract or teaming agreement, or any contract references or past performance questionnaires

⁴ ACG also argued that the agency ignored "close at hand" information regarding its capabilities because its contract references included two delivery orders it had performed for the same agency with requirements that were essentially the same scope as the RFP. See Comments at 6. An agency is not required to base its technical evaluation on a company's reputation and accept unsupported statements of capability, especially where an RFP requires the offeror to explain and support its proposed capabilities. See L-3 Commc'n Corp., B-299014, B-299014.2, Jan. 16, 2007, 2007 CPD ¶ 26 at 8. The "close at hand" principle applies in limited circumstances to require an agency to consider outside information bearing on an offeror's past performance, and is not intended to remedy an offeror's failure to include information in its proposal. SNAP, Inc., B-409609, B-409609.3, June 20, 2014, 2014 CPD ¶ 187 at 8-9; L-3 Servs., Inc., B-406292, Apr. 2, 2012, 2012 CPD ¶ 170 at 12 n.10.

for a proposed subcontractor. An offeror risks having its proposal evaluated unfavorably where it fails to submit a well-written proposal, with adequately detailed information that clearly demonstrates compliance with the solicitation. American Title Servs., a Joint Venture, B-404455, Feb. 4, 2011, 2011 CPD ¶ 38 at 4; International Med. Corps, B-403688, Dec. 6, 2010, 2010 CPD ¶ 292 at 8.

We find that the agency reasonably evaluated ACG's proposal.⁵

The protest is denied.

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General Counsel

⁵ In its comments to the agency report, ACG also argues that since it received an acceptable rating for the systems and equipment subfactor and a good rating for reseller relationships/agreements factor, these ratings should have been given more weight than the unacceptable rating for the technical support services subfactor. Comments at 3-5. ACG also argues that it is incongruent for the SSEB to have found its proposal acceptable under the systems and equipment subfactor, yet unacceptable under the technical support services subfactor. Id. at 6-7. The agency informed ACG of its ratings for all factors and subfactors in its debriefing. AR, Tab 13, Debriefing, at 5-7. Since these allegations were raised in its comments, over a month after the debriefing, we find them to be untimely filed. 4 C.F.R. § 21.2(a)(2).

In any event, there is no merit to the argument that the agency improperly "pushed up" the unacceptable rating for the technical support services subfactor over all the other ratings where the RFP advised that failure to address the stated requirements will result in a proposal being considered unacceptable. RFP at 117, 125; see, e.g., Sevatec, Inc., B-405681, Dec. 9, 2011, 2011 CPD ¶ 273 at 6-7 (finding reasonable the agency's evaluation that an unacceptable subfactor rating resulted in an unacceptable factor rating and thus unacceptable overall, where the solicitation advised only that a rating of unacceptable at the factor level would result in a proposal being evaluated as unacceptable overall); OMNIPLEX World Servs. Corp., B-282630.2, Sept. 22, 1999, 99-2 CPD ¶ 64 at 6. Further, the record here shows that the SSEB evaluated each subfactor individually, and included a detailed discussion of each strength and weakness, if any, that it assessed, as well as a narrative justification for the ratings assigned. AR, Tab 7, SSEB Report, at 20-26.