



Decision

Matter of: Castro & Company, LLC

File: B-414694

Date: August 15, 2017

Thomas Castro, for the protester.
William B. Blake, Esq., Department of the Interior, for the agency.
Paula A. Williams, Esq., and Edward Goldstein, Esq., Office of the General Counsel,
GAO, participated in the preparation of the decision.

DIGEST

Protest challenging the issuance of a Federal Supply Schedule task order to a technically-superior, higher-priced vendor is denied where the record shows the best-value determination was reasonably based on qualitative differences between the competing quotations.

DECISION

Castro & Company, LLC, of Alexandria, Virginia, protests the issuance of a task order to Acuity Consulting Inc., of Alexandria, Virginia, by the Department of Interior (DOI) under request for quotations (RFQ) No. D17PS00029. The procurement was conducted by DOI on behalf of the Office of the Inspector General (OIG) to obtain financial statement audit services for the Nuclear Regulatory Commission (NRC), and the Defense Nuclear Facilities Safety Board (DNFSB). Castro challenges the agency's evaluation of quotations and the best-value award decision.

We deny the protest.¹

¹ Our Office did not issue a protective order in connection with this protest because the protester did not retain counsel. Accordingly, our discussion of the facts of this protest is necessarily general in nature to avoid reference to nonpublic information. Our conclusions, however, are based on our review of the entire record, including nonpublic information provided by the agency to our Office.

BACKGROUND

The agency issued the RFQ as a small business set-aside under Federal Acquisition Regulation (FAR) subpart 8.4, to vendors holding indefinite-delivery/indefinite-quantity contracts under General Services Administration (GSA) Schedule 00CORP, special item number 520-7 (GSA Schedule 520), Professional Services Schedule. RFQ at 1.

According to the RFQ's detailed statement of work (SOW) the successful vendor will provide all staff, including key personnel, necessary to complete the required tasks and deliverables associated with annual financial statement audits.² The annual financial statement audits of NRC and DNFSB are intended to meet current audit requirements for financial statements and to assist agency management and the OIG in assessing the effectiveness of internal controls over financial reporting and compliance with laws and regulations. SOW at 1.

The RFQ anticipated the issuance of a single, fixed-price task order with a 1-year base period and four 1-year option periods to the vendor with the quotation representing the best value to the government. Quotations were to be evaluated under the following factors (and related subfactors³) listed in descending order of importance: (1) past performance; (2) technical and management approach; (3) personnel qualifications; (4) organizational experience; (5) generally accepted government accounting standards (GAGAS) compliance; (6) writing sample; and (7) price.⁴ The RFQ provided that the non-price factors were significantly more important than price and that the government reserved the right to make award to other than the lowest-priced vendor if another superior technical quotation or a quotation with a low performance risk warranted paying a price premium. RFQ at 13-14.

The past performance factor was comprised of three subfactors: (1) degree to which the past performance provided is recent; (2) vendor's experience and history of successful completion of projects; and (3) likelihood of successful performance. Id. at 14. The technical and management approach factor had three subfactors: (1) vendors' understanding of the objectives of the SOW and planned execution of the project; (2) vendors' understanding of logistics, schedule, and other miscellaneous issues as demonstrated through a detailed transition plan; and (3) evidence of specific

² The RFQ identified the following two mandatory key personnel positions: partner, and director/senior manager. RFQ at 9.

³ The RFQ established that for each factor, the subsumed subfactors were of equal importance. RFQ at 14.

⁴ The solicitation identified the order of importance for the evaluation factors as follows: (1) the past performance and technical and management approach factors were of the highest order of importance; (2) the personnel qualifications and organizational experience factors were of the second highest order of importance; followed by (3) the GAGAS compliance factor; (4) the writing sample factor; and (5) price. RFQ at 13-14.

methods and techniques for completing each discrete task as detailed in a draft project management plan. Id. The personnel qualifications factor was comprised of four subfactors: (1) the currency, quality, and depth of personnel who will supervise and coordinate the workforce; (2) the currency, quality, and depth of experience of the individual personnel proposed with regards to projects and programs that are similar in magnitude and scope; (3) the experience of key personnel with respect to tasks specified in the SOW and their degree of qualifications; and (4) evidence of appropriate security clearances for proposed personnel. Id. at 15.

As to the personnel qualifications factor, the RFQ required vendors to furnish the names and resumes of proposed personnel, including two mandatory key personnel positions (the RFQ permitted vendors to propose additional key personnel); a staffing approach for providing and maintaining a team with the necessary expertise and experience to accomplish the task order requirements; and a breakdown of their proposed labor mix and a description of how they would provide the required flexibility in allocating resources. Id. at 9.

The agency received timely quotations from eight vendors, including Acuity, which was an incumbent contractor,⁵ and Castro. The agency evaluated vendors' technical quotations under the nonprice factors and prepared a consensus evaluation memorandum detailing their findings and conclusions. Agency Report (AR) exh. 14, Consensus Technical Evaluation Memorandum. Price quotations were also evaluated and the agency prepared an evaluation memorandum detailing the results of the price analysis. Id. exh. 15, Price Evaluation Memorandum.

The technical and price evaluation results were provided to the contracting officer who was the source selection authority for this procurement. Based on the evaluation of quotations, the contracting officer concluded that Acuity's quotation provided substantially more value to the government, noting that of all the quotations received and evaluated, Acuity submitted the strongest technical quotation.

As relevant here, the record reflects that the agency compared Acuity's and Castro's quotations. While noting that Castro provided a "solid technical quote" the contracting officer concluded that Acuity's quotation was stronger than Castro's in five areas. Id. exh. 16, Award Summary Memorandum at 17. Specifically, the agency found that Acuity's quotation was superior to Castro's under two subfactors within the technical and management approach factor (which, for award purposes, was the most important factor); under two of the personnel qualifications subfactors; and under the writing sample factor. Id. Acknowledging that Acuity's total order price was \$415,237.07 more than Castro's, the contracting officer determined that Acuity's quotation was the better value given its technical superiority and lower risk. Id. at 18. After comparing Acuity's

⁵ The RFQ consolidated the NRC and the DNFSB requirements, which had previously been procured separately. Acuity was the incumbent contractor with respect to the DNFSB requirement.

quotation against those of all the vendors, the agency decided that Acuity's quotation represented the best value to the government and issued the task order to Acuity. Id. exh. 21, Task Order. Upon Castro's request, the contracting officer provided Castro a brief explanation of the basis for the award decision in writing followed by a subsequent oral explanation. Id. exh. 19, Castro's Brief Explanation Letter. Thereafter, Castro filed its protest with our Office.

DISCUSSION

Castro argues that the agency failed to properly credit its quotation for having exceeded the solicitation requirements, specifically discussing alleged agency evaluation errors under the personnel qualifications factor. The principal focus of Castro's protest concerns the agency's use of the abbreviations M (meets) and E (exceeds) in the brief explanation award letter, which the protester characterizes as "adjectival ratings." Protest at 11-12. The protester contends that its quotation clearly exceeded the requirements of the personnel qualifications factor, subfactor 3, which concerned the experience of key personnel with respect to tasks specified in the statement of work and the degree of various qualifications.⁶ Castro notes that it proposed more key personnel than required by the solicitation (five versus two), with higher level positions (three of its five proposed key personnel held higher positions than required), more years of experience, and more security clearances than the required minimum. Taken together, Castro questions the reasonableness of the agency's judgment that its quotation merely met, rather than exceeded this personnel subfactor. Id. In addition, the protester contends that the agency's best-value selection decision was flawed and not sufficiently documented. For the reasons discussed, we find the protest to be without merit.

In reviewing protests of an agency's evaluation and source selection decision in procurements conducted under Federal Supply Schedule procedures (i.e., FAR subpart 8.4), we do not conduct a new evaluation or substitute our judgment for that of the agency. Rather, we examine the record to ensure that the agency's evaluation and award decision are reasonable and consistent with the terms of the solicitation and applicable procurement laws and regulations. Research Analysis & Maintenance, Inc., B-409024, Jan. 23, 2014, 2014 CPD ¶ 39 at 5; U.S. Info. Techs. Corp., B-404357, B-404357.2, Feb. 2, 2011, 2011 CPD ¶ 74 at 8-9; Digital Solutions, Inc., B-402067, Jan. 12, 2010, 2010 CPD ¶ 26 at 3-4. We have considered all of Castro's arguments and find that they do not furnish a basis to question the evaluation and the award decision.

Regarding the agency's evaluation of Castro's proposed personnel, the protester's allegations are misplaced where they are based on the meets/exceeds

⁶ The qualifications, outlined on page 9 of the RFQ, were: (a) management of similar projects and tasks; (b) performance of similar work on at least two projects; (c) evidenced references to relevant product and service accomplishments; and (d) evidence of security clearances as required by SOW. RFQ at 9.

characterizations provided in the summary information it received as part of the agency's explanation of the selection decision. In this regard, the record reflects that the agency did not base its selection decision on the meets/exceeds ratings. Rather, the record reflects the agency conducted a detailed review of the relative strengths of Castro's quotation as compared to the quotation submitted by Acuity. As noted above, the agency found that Castro submitted "a solid" quotation. RFQ exh. 16, Award Summary Memorandum at 17. In this regard, the record reflects that the agency noted its high confidence with respect to Castro's past performance. Id. at 6. Nonetheless, as noted above, the agency identified various particular discriminators in favor of Acuity under several factors.

Under the personnel qualifications factor specifically, the record reflects that the agency considered the qualifications of Castro's personnel as compared to those of Acuity. In this regard, notwithstanding the protester's assertions to the contrary, the agency expressly considered the number of key personnel proposed by Castro, and noted that Castro's personnel exceeded the certification requirements. Id. at 18. However, when compared with Acuity's quotation, the agency found that Acuity's quotation was stronger than Castro's due to the extensive federal financial experience of Acuity's senior leadership. The agency found that the experience of Acuity's senior leadership in performing the incumbent contract requirements enhanced Acuity's ability to understand the auditing standards and guidance applicable to the solicited tasks and deliverables to a greater degree than those proposed by Castro. Id. at 7, 17-18. Where the record reflects that the agency considered the underlying merits of Castro's technical proposal, to include the areas the protester argues were overlooked, we have no basis to question the agency's evaluation.

Next, Castro alleges that the agency failed to adequately document its evaluation and best-value award decision, pointing to the agency's alleged "reluctance" to fully explain its evaluative findings and conclusions. Protest at 15. This alleged reluctance, the protester argues, casts doubt on the technical merit assessments of quotations, including its own. Protester's Comments at 6-8.

Where an acquisition conducted pursuant to FAR subpart 8.4 provides for award on a best-value tradeoff basis, it is the function of the source selection authority to perform a price/technical tradeoff to determine whether a quotation's technical superiority is worth its higher price. Millennium Corp., Inc., B-412866, B-412866.2, June 14, 2016, 2016 CPD ¶ 168 at 7. For FAR subpart 8.4 acquisitions that require a statement of work, such as this one, FAR § 8.405-2(f) specifically requires documentation of the rationale for any tradeoffs made in the solicitation. This rationale, or source selection decision documentation, must be in sufficient detail to show that it is reasonable. Millennium Corp., Inc., supra.

Here, the record reflects that the agency engaged in, and documented, a detailed comparison of Acuity's quotation with the quotation submitted by Castro under each factor and subfactor. The agency identified particular advantages offered by Acuity's quotation, the significance of those advantages, and the agency made a determination

that the advantages were worth the price premium associated with issuance of the task order to Acuity. We find that the documentation in the record before us satisfies the minimum documentation requirements of FAR § 8.405-2(f), and provides sufficient detail to show that the agency's evaluation of quotations and the best-value award decision were reasonable.⁷

The protest is denied.

Susan A. Poling
General Counsel

⁷ Castro also challenges the agency's best-value tradeoff analysis, arguing that it was based on an improper evaluation. Because, as discussed previously, we conclude that the agency' evaluation of quotations was reasonable and the award summary memorandum sets forth a reasonable basis for the selection of Acuity's technically-superior, higher-priced quotation, we deny this aspect of Castro's protest.