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Decision

Matter of: IPT Associates, LLC

File: B-415277; B-415277.2

Date: December 20, 2017

Peter A. Deliso, Esq., and Nelson Blitz, Esq., Executive Counsel, PLC, for the protester. David E. Fletcher, Esq., Erin M. Estevez, Esq., Amy S. Josselyn, Esq., and Christopher J. Kimball, Esq., Cooley LLP, for E3 Federal Solutions, LLC, an intervenor. Christina M. Austin, Esq., and Stephan Piel, Esq., Department of Defense, for the agency. Gabriel D. Soll, Esq., and Christina Sklarew, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest challenging the evaluation of quotations is denied where the record shows that the evaluation was reasonable and consistent with the solicitation's stated evaluation criteria.

DECISION

IPT Associates, LLC, a service-disabled veteran-owned small business of Billerica, Massachusetts, protests the issuance of a task order to E3 Federal Solutions, LLC, a veteran-owned small business of McLean, Virginia, under request for quotations (RFQ) No. HQ0034-17-Q-0011, issued by the Department of Defense, Washington Headquarters Services & Pentagon Force Protection Agency (WHS) for administrative, analytical, and program management services. IPT challenges the agency's technical evaluation of its own and E3's quotations, as well as the best-value determination.

We deny the protest.

BACKGROUND

WHS issued the solicitation on June 13, 2017, to obtain administrative, analytical, and program management services to support offices of the Under Secretary of Defense for Acquisition, Technology, and Logistics (AT&L). RFQ at 18. The RFQ anticipated that the successful vendor would perform such tasks as office management, maintenance of calendars and files, and project management, but also write, review, and/or edit

documents on a variety of acquisition and program-related topics for the offices within AT&L. Id. at 19-32. The RFQ was issued in accordance with the procedures of Federal Acquisition Regulation (FAR) subpart 8.4 to holders of the Technical Engineering Analytical Management Support blanket purchase agreement (TEAMS BPA) established by the Office of the Under Secretary of Defense.¹ Id. at 54. The solicitation contemplated that a single, fixed-price task order would be issued to the vendor whose quotation was found to offer the best value to the government. Id.

The RFQ provided that the best-value tradeoff would be based on the following evaluation factors and subfactors:

- (1) Acceptability
- (2) Management and staffing plan
 - a) Employee benefits
 - b) Management plan/corporate resources
 - c) Key personnel
- (3) Teaming arrangement
- (4) Price

Id. Acceptability was described as a pass/fail criterion under which quotations would be reviewed for: compliance with the terms of the solicitation, the TEAMS BPA, and the applicable schedule contract; complete pricing; and proof of an active Top Secret Facility Clearance.² Id. The solicitation established the relative importance of the remaining factors to the best-value determination as follows: the management and staffing plan factor was more important than the teaming arrangement factor; and these two non-price factors, individually and when combined, were more important than price. Id.

At issue in this protest is the agency's evaluation of quotations under the management and staffing plan factor. The RFQ stated that this most heavily weighted factor would be evaluated by making a qualitative assessment of an offered plan's level of risk, and that the risk rating would reflect how well a plan demonstrated the ability to (a) successfully staff and perform mission requirements and (b) ensure continuity of operations. As relevant here, the RFQ stated that a quotation that clearly demonstrated ability in these two areas would be rated "low risk." A quotation that only adequately demonstrated these areas, raised concerns, or created potential risks related to any of the objectives above would be rated "medium risk." RFQ at 54.

¹ The TEAMS BPA was established with vendors holding the General Services Administration's Professional Services Schedule (PSS) contracts. See RFQ at 54.

² The RFQ stated that failure to meet any of these requirements would render a quotation unacceptable, and therefore ineligible for award. RFQ at 54.

The management and staffing factor included three subfactors: employee benefits, management plan/corporate resources, and key personnel. Id. at 52. Under the employee benefits subfactor, the RFQ required vendors to demonstrate how personnel with the required experience and skills would be incentivized and retained. Id. For the management plan/corporate resources subfactor, vendors were to submit a description of the management approach and corporate resources being offered. Such descriptions were to include, among other elements: a recruiting flow chart for staff augmentation with “a comprehensive description of each step in the recruiting process flow from identification of a staffing need . . . to selection, employee hiring, and orientation of the service employee;” a timeline of the recruiting process; and a description of the vendor’s recruiting strategy. Id. With regard to the key personnel subfactor, vendors were to provide the resumes of non-incumbent staff being offered to fill key personnel positions. Id. The RFQ stated that if a vendor intended to hire incumbent key persons, that approach should be stated and supported with a chart mapping each person to the labor category offered on the vendor’s schedule contract. Id.

WHS received five timely-submitted quotations, including IPT’s and E3’s. Contracting Officer’s Statement of Facts (COSF), at 1. IPT’s and E3’s quotations both passed evaluation of the acceptability factor, and both were rated as outstanding with regard to teaming arrangements. The quotations submitted by the protester and the awardee differed in ratings under the management and staffing factor and in price, as shown below:

	IPT	E3
Management and Staffing	Medium Risk	Low Risk
Total Evaluated Price	\$47,406,023	\$48,717,137

Id. at 2.

With respect to IPT’s quotation, the evaluators noted several benefits and the following two “areas of concern” for the management and staffing factor:

[1] Recruiting process seems to be passive where candidates are sourced via job postings the active recruiting appears to come from college recruiting and employee referrals where one school is listed (Institute of World Politics). This is a concern due to the lack of diversity in the vendor’s approach to active candidate outreach where on slide 8^[3] it

³ Quotations were submitted as PowerPoint slides that were used in oral presentations. RFQ at 51-52. The RFQ stated that only slides completed during the oral presentations would be considered. Id. at 51.

shows that ¾ of the incumbent staff are millennials⁴ who as the slide show indicates spends the shortest amount of time retained. The vendor's approach to backfilling appears to be very heavily based upon the referrals from a demographic with a high rate of turnover.

[2] The [vendor] suggests that half of all future employee backfills will be the result of employee referrals which will be augmented, when needed, by a single recruiting firm ([DELETED]). This is an area of concern because it is unclear as to at what point in the process the contractor determines it needs to engage its recruiting firm. The government would be more comfortable if assurance was provided that all activities transpired simultaneously to cast a wider candidate net from the beginning.

AR, Tab 7, TEB Report, at 14.

The contracting officer, acting as the source selection authority (SSA), considered the technical evaluations presented in the TEB Report, and concluded that E3's quotation offered the best value. AR, Tab 9, Best Value Determination Memorandum (BVDM), at 12. The SSA considered the relative merits and compared the prices of IPT's and E3's quotations. Id. at 5-7. With regard to the management and staffing plan factor, the SSA stated that IPT's plan suggested "an area of extreme concern," explaining that

IPT expressed that seventy-five percent of the staff being put forward to service this requirement under this contract are of a demographic – described as millennials – who IPT expressed, in its presentation, as the group with the lowest retention rate under the current contract. IPT's passive recruiting model of posting to job message boards is consistent with industry practice; however, IPT's active approach, as indicated by its presentation, has sourced half of its recruiting positions under this contract through employee referrals. We, the technical evaluators and myself, find this strategy to be an area of risk when so many referrals are being provided by the individuals with the highest exit rate, as described by IPT's presentation.

Id. at 5-6.

⁴ While not specifically discussed by the parties, "millennial" generally refers to individuals born between the early 1980's and 2000. See Protester's Comments, Attachment 2, Federal Workforce: Lessons Learned for Engaging Millennials and Other Age Groups, GAO-16-880T, at 2 n. 2 (Sept. 2016).

In accordance with the RFQ, the contracting officer concluded that the benefits in E3's quotation were worth the slight price premium, and decided to issue the task order to E3. Id. at 7, 12.

On September 6, 2017, IPT received a notice from the agency announcing that the task order had been issued to E3. Protest, Attachment 2. This protest followed.

DISCUSSION

IPT protests the evaluation of its quotation and E3's quotation under the management and staffing factor.⁵ With regard to its own evaluation, IPT alleges that the areas of concern noted by the evaluators were based on incorrect assumptions and did not reflect the firm's quotation. Protest at 6-9. The protester states that the agency erred in its evaluation of E3's quotation as well, alleging that WHS ignored inherent risks associated with the awardee's proposed approach and that the evaluation was inconsistent with the solicitation's evaluation criteria. Supp. Protest at 3-7. Finally, IPT claims that the best-value determination was flawed as it was predicated on the errors alleged. We find none of these arguments provides a basis to sustain the protest.

Where, as here, an agency issues an RFQ to vendors under FAR subpart 8.4 and conducts a competition for the issuance of an order or establishment of a BPA, we will review the record to ensure that the agency's evaluation was reasonable and consistent with the terms of the solicitation and applicable procurement laws and regulations. Harmonia Holdings Group, LLC, B-414691, B-414691.2, Aug. 17, 2017, 2017 CPD ¶ 272 at 4. A protester's disagreement with the agency's judgment, without more, does not establish that an evaluation was unreasonable. Technology and Telecomms. Consultants, Inc., B-413301, B-413301.2, Sept. 28, 2016, 2016 CPD ¶ 276 at 4. Moreover, it is an offeror's responsibility to submit an adequately written proposal that demonstrates the merits of its approach; an offeror runs the risk of having its proposal downgraded or rejected if the proposal is inadequately written. JRS, Inc., B-405463, Nov. 8, 2011, 2011 CPD ¶ 265 at 4.

IPT's Evaluation

The protester challenges both of the areas of concern identified in the agency's evaluation of IPT's quotation. IPT makes several allegations regarding specific points within each area of concern. Below, we address the primary contentions. While not discussed, we have reviewed the remaining allegations in the context of the record and find that none provides a basis to sustain the protest.

IPT argues that the first area of concern is based on erroneous conclusions. Protest at 6-8. Illustrative of these arguments, IPT avers that the evaluators' conclusion inferred

⁵ IPT does not challenge the evaluations of either of the other two non-price factors, or price.

that IPT's approach to active candidate outreach, based on referrals from millennials, could result in a low rate of employee retention. Id. at 8. IPT argues that the evaluation was unreasonable because there is no logical connection between employee retention and the demographic group making referrals. Protester's Comments, at 3-6. To support this claim, IPT first posits that the quotation does not state how many referrals came from millennials. Id. at 8-9. The protester provided an affidavit from IPT's Director of Operations to demonstrate the company's recent experience showing that nearly [DELETED] percent of its referrals come from non-millennial employees. Id. at Attachment 1. IPT further argues that the contention that millennials have a lower rate of retention on contracts is also unreasonable. IPT provides several studies showing that millennials do not actually experience higher turnover rates, but rather that the group is subject to an unfounded stereotype in this regard. Id. at 4-5; Attachments 2-4.

IPT similarly makes several allegations regarding the second area of concern. Protest at 8-9. Among these, the protester argues that the evaluation finding that its quotation was unclear as to when a recruiting firm would be engaged was unreasonable. Id. at 9. In the protester's view, IPT's quotation clearly explained that all recruiting resources, including the use of the recruiting firm, would occur simultaneously. Protester's Comments at 6, citing AR, Tab 6, IPT Quotation, at Slide 20. IPT further argues that the agency failed to recognize positive attributes of its recruiting system in reducing the risks identified. Protest at 9.

WHS, in responding to each of the claims made by the protester, states that its evaluation was reasonable and in accordance with the solicitation. Memorandum of Law (MOL) at 3-18. First, the agency notes that its evaluators based their conclusions regarding IPT's referrals from millennials on information contained in IPT's quotation. Id. at 12-13. The agency shows that IPT's presentation touted its employee referrals as the greatest source of qualified candidates, and that the company demonstrated its prior approach relying on these referrals without noting a difference in the approach being proposed for this effort. Id. at 13. WHS also points to the portions of IPT's quotation that indicated the company has a high number of millennial employees and that those employees have the lowest retention rates. Id. at 13-14.

WHS responds to IPT's allegations regarding the second area of concern in a similar fashion. MOL at 19-22. The agency notes specific language in IPT's quotation that indicated the recruiting firm would be used "when needed" without elaborating on how or when the company would determine that need. Id. at 19-20. WHS further notes that it was the lack of clarity in the approach, not the approach itself, which drew the concern of evaluators. Id. at 20. The agency maintains that its evaluation and best-value determination recognized the potential benefits of the recruiting system offered by IPT. Id. at 20-21.

Here, we find no basis in the record to conclude that the agency's noted areas of concern were unreasonable. More specifically, IPT has not demonstrated that the agency's evaluation conclusions with regard to the quotation's use of referrals from

millennial employees were unreasonable. IPT's quotation presents a chart of demographic information regarding the incumbent workforce, indicating that 75 percent of them are millennials. AR, Tab 6, IPT Quotation, at Slide 8. On the same slide, another graph shows that millennials spend the fewest months retained on a contract. Id. The record further shows that IPT's quotation states that it would rely on its workforce as its primary recruiting tool. Id. at Slide 26. The protester does not cite to anything in its quotation that would undermine the agency's assumption that a proportional number of referrals would come from each demographic group employed. Accordingly, we find nothing unreasonable in the evaluators and SSA reaching this conclusion based on the information in IPT's quotation.⁶

Similarly, IPT's disagreement with the agency's second area of concern does not establish that the agency's evaluation was unreasonable. We agree that the quotation was not clear as to whether IPT was offering to conduct all recruiting activities, including use of the recruiting firm, simultaneously. Cf., AR, Tab 6, IPT Quotation, at Slide 20. Further, the language in the quotation is consistent with the agency's determination that IPT failed to identify the events that would trigger use of the recruiting firm--merely stating that the firm would be used "when needed." Id. at Slide 26. On this record, while IPT's protest reflects disagreement with the agency's evaluation, it does not show that the evaluation was unreasonable.

E3's Evaluation

Next, IPT challenges the low risk rating assigned to E3's quotation. Supp. Protest at 3-6. Specifically, the protester complains that WHS failed to apply the stated evaluation criteria in assessing the risks in E3's quotation related to hiring and retaining incumbent staff. Id. at 3-4. IPT opines that E3's proposed approach to recruit all of the incumbent staff is not supported by a clear or certain plan that would ensure continuity of operations, as required by the solicitation. Protester's Comments at 7. IPT further alleges that E3's quotation indicates that incumbent staff are likely to face salary cuts, which should have been evaluated as a risk to employee retention. Supp. Protest at 5; Protester's Comments at 8. We find no merit in these arguments.

As noted above, we review the record to ensure that the agency's evaluation was reasonable and consistent with the terms of the solicitation and applicable procurement laws and regulations. Harmonia Holdings Group, LLC, supra. Here, the record reflects that the agency reasonably considered E-3's approach to hiring incumbent personnel, as well as its intent to maintain current salaries, to be a benefit. AR, Tab 7, TEB Report,

⁶ Further, IPT's quotation does not refer to, or reflect, information IPT provided during its pursuit of this protest. As it is incumbent on an offeror to provide a well-written offer, we do not consider such post-award information to impact the reasonableness of the agency's evaluation conclusions. That is, IPT ran the risk that the agency would draw negative conclusions based on the information it presented in its quotation. See Security Mgmt. & Integration, Inc., B-409463, Apr. 03, 2014, 2014 CPD ¶ 120 at 3.

at 9. Both of these elements of the evaluation were stated in E3's quotation. See AR, Tab 5, at Slide 36. While IPT may disagree with the agency's evaluation, it points to nothing in the record that would require different agency assessments.⁷

Best-Value Determination

Finally, IPT argues that the source selection decision was in error because it was based on the allegedly flawed evaluation conclusions discussed in this protest. Protest at 10-11; Supp. Protest at 8. Given our conclusion, above, that the record does not support the protester's challenges to the agency's evaluation, we find no merit in IPT's objection to the best-value determination. Moreover, the record shows that in documenting the best-value determination, the source selection authority comparatively assessed IPT's and E3's quotation, and justified her decision that the merits of E3's approach were worth its slightly higher price. AR, Tab 9, BVDM, at 4-7.

The protest is denied.

Thomas A. Armstrong
General Counsel

⁷ IPT also claims that the agency ignored alleged flaws in E3's transition plan. Supp. Protest at 6. However, the RFQ did not require submission of a transition plan with the quotations, nor was transition addressed as an element for evaluation. Rather, the solicitation stated that a transition plan would be required after award, and only if a non-incumbent was selected. RFQ at 47.