Decision

Matter of: Converge Networks Corporation

File: B-415915.2; B-415915.3

Date: August 20, 2018

David S. Black, Esq., Amy L. Fuentes, Esq., and Gregory R. Hallmark, Esq., Holland & Knight LLP, and Anthony S. Fernandez, Esq., Law Office of Anthony S. Fernandez, LLC, for the protester. J. Scott Hommer, III, Esq., Rebecca E. Pearson, Esq., Christopher G. Griesedieck, Esq., and Spencer P. Williams, Esq., Venable, LLP, for Noblis, Inc., the intervenor. Richard L. Hatfield, Esq., Jonathan D. Tepper, Esq., Kelly Zeng, Esq., and Gregory Matherne, Esq., Department of the Treasury, for the agency. Young S. Lee, Esq., and Peter H. Tran, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest challenging the agency's evaluation of a vendor's technical and price quotation is denied where the agency reasonably evaluated the quotation and the evaluation was consistent with the terms of the solicitation.

2. Protest alleging that the agency performed an unequal evaluation is denied where the protester cannot demonstrate competitive prejudice based on alleged evaluation error.

DECISION

Converge Networks Corporation of Bethesda, Maryland, protests the issuance of a task order to Noblis, Inc. of Reston, Virginia, under request for quotations (RFQ) No. TIRNO-18-0003, issued by the Department of the Treasury, Internal Revenue Service (IRS), for acquisition management and transition support services. The protester contends that the agency unreasonably and unequally evaluated quotations. Converge also argues that the agency’s price realism evaluation with regard to Noblis’ quotation was unreasonable.

We deny the protest.
BACKGROUND

The IRS issued the RFQ on August 29, 2017, using the Federal Supply Schedule (FSS) procedures of Federal Acquisition Regulation (FAR) subpart 8.4.\(^1\) Agency Report (AR), Tab 3.b.3, Initial RFQ, at 1, 10. The RFQ anticipated the issuance of a fixed-price labor rate task order, with a 1-year base period and two 1-year options. AR, Tab 4.d, RFQ amend., at 11. The competition was limited to vendors holding a Professional Services Schedule Mission Oriented Business Integrated Services, networking and telecommunications contract. AR, Tab 2, Contracting Officer’s Statement (COS), at 1. The RFQ sought quotations for acquisition management and transition support services. Id. The solicitation provided that the resulting order would be issued on a best-value tradeoff basis, considering the following five evaluation factors: (1) technical approach; (2) management approach; (3) corporate experience; (4) past performance; and (5) price. AR, Tab 4.d, RFQ amend., at 14. Factors one through four were listed in descending order of importance and when combined were significantly more important than price. AR, Tab 4.d, RFQ amend., at 19.

For each of the non-price factors, quotations could be assigned a rating of excellent, good, satisfactory, or unsatisfactory. Id. at 14-17. The RFQ also contemplated that quotations could be assigned a risk rating of low, medium, or high, based on the risks and weaknesses associated with each quotation’s proposed approach. Id. at 18.

Noblis and Converge were the only two quotations received by the agency in response to the RFQ. COS at 3. An IRS technical evaluation team (TET) evaluated the quotations, and provided the results to the contracting officer (CO), who was also the source selection authority for this procurement. Id. Based on the evaluation, the CO concluded that Noblis’ quotation provided the best value to the government and issued the resulting order to Noblis on January 2, 2018. Id. After receiving notice that it was not selected for the order, Converge filed its initial protest with our Office on January 12, 2018. AR, Tab 3.a, Initial Converge Protest, at 1. On February 5, after the agency notified our Office of its intent to take corrective action, the protest was dismissed as academic. AR, Tab 3.b.7, Dismissal of Converge’s Initial Protest, at 1.

On February 15, the IRS amended the RFQ to change the solicitation’s period of performance, and also required vendors to submit pricing for certain additional tasks identified in the RFQ.\(^2\) COS at 3; Compare AR, Tab 4.d, RFQ amend., at 8, 11, with

\(^1\) The Federal Supply Schedule program is also known as the General Services Administration (GSA) schedules program or the multiple award schedule program. See FAR § 8.402(a).

\(^2\) The original solicitation included potential work that could be required by the agency, which was described in the initial RFQ as “optional tasks.” AR, Tab 3.b.3, RFQ, at 6-7. After the RFQ was amended, the description of this work was later changed to “additional tasks.” COS at 3; AR, Tab 4.d., RFQ amend., at 8.
Tab 3.b.3, RFQ, at 6-7, 9. Noblis and Converge were again the only two vendors that responded to the amended RFQ. COS at 3. The IRS TET evaluated the quotations resulting in the following ratings, which were provided to the CO:

<table>
<thead>
<tr>
<th></th>
<th>Converge</th>
<th>Noblis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technical Approach</strong></td>
<td>Satisfactory</td>
<td>Excellent</td>
</tr>
<tr>
<td><strong>Management Approach</strong></td>
<td>Good</td>
<td>Excellent</td>
</tr>
<tr>
<td><strong>Corporate Experience</strong></td>
<td>Excellent</td>
<td>Excellent</td>
</tr>
<tr>
<td><strong>Past Performance</strong></td>
<td>Excellent</td>
<td>Excellent</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>$9,103,224</td>
<td>$7,744,625</td>
</tr>
</tbody>
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AR, Tab 7.a, Converge Consensus Technical Evaluation, at 1-9; Tab 7.e, Noblis, Technical Evaluation, at 1-9; Tab 7.b, Selection Decision Memorandum, at 7-9.

Based on these results, the CO concluded that Noblis’ higher-rated, lower-priced quotation, represented the best value to the government. AR, Tab 7.b, Selection Decision Memorandum, at 11. On April 30, the IRS issued the order resulting from the amended RFQ to Noblis. COS at 3. On May 10, in accordance with FAR § 8.405-2(d), the IRS provided Converge with a brief explanation of the agency’s decision to issue the order to Noblis, and this protest followed. Id. at 4.

DISCUSSION

Converge challenges the agency’s evaluation of quotations under the solicitation’s technical approach and management approach factors. The protester also argues that the price realism evaluation that was performed on Noblis’ quotation was unreasonable. Finally, the protester contends that the agency’s evaluation of quotations under the management approach factor was unequal. Although we do not address every argument raised, we have reviewed all of the protester’s assertions and find that none provides a basis to sustain the protest.4

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3 Converge withdrew various aspects of its initial and supplemental protest on June 7, 2018, and July 16. AR, Tab 3.e, Dismissal Request Response at 1 n. 1; Protester’s Suppl. Comments at 3 n.1.

4 For instance, Converge also alleges that its protest should be sustained because there “is no evidence in the record that the Agency meaningfully considered the fact that Noblis’ labor mix is skewed so heavily toward less-experienced, less-skilled personnel.” Protester’s Comments at 12. This allegation provides no basis to sustain Converge’s protest. The contemporaneous record confirms that the agency reviewed and considered the labor mix in both quotations. For example, the CO determined that “Noblis proposed accomplishing the [RFQ] tasks with a mix of [DELETED].” AR, Tab 7.b, Selection Decision Document, at 10. In contrast, the IRS concluded that Converge’s quotation “submitted a labor mix of only 2 labor categories,” and that Converge’s proposed labor mix “does not take advantage of providing lower price (continued...)
Technical Approach, Management Approach, and Price Realism

The protester contends that the agency’s evaluation of Noblis’ quotation under the solicitation’s technical approach and management approach factors was flawed. Converge also alleges that the agency’s price realism evaluation of Noblis’ quotation was unreasonable. In support of its challenge to these three separate evaluation factors, Converge primarily argues that Noblis’ quotation failed to map the personnel identified in the technical volume of its quotation, to both the labor categories identified in Noblis’ price volume, and to Noblis’ GSA schedule labor categories. The protester claims that without this type of crosswalk, the agency could not have concluded that Noblis’ quotation merited an excellent rating under the RFQ’s technical and management approach factors, or that Noblis’ pricing was realistic.5

The RFQ, however, did not require this type of detailed mapping between the quotation’s price volume, technical volume, and the vendor’s GSA schedule contract. Rather, the RFQ informed vendors that the agency would use information from their quotations to ensure that the labor categories being offered were traceable to the contractor’s schedule price list; and that the vendors’ prices would also be evaluated to determine if they were consistent with their technical quotations. AR, Tab 4.d, RFQ amend., at 12, 18. Our review of the contemporaneous record confirms that the IRS’s evaluation complied with the RFQ’s requirements. Accordingly, Converge’s allegations provide no basis to sustain the protest.

(...continued)

resources that can do much of the work.” Id. Although the protester may disagree with the agency’s assessment of the minimum skill level required to perform various tasks under the RFQ, that disagreement, without more, is insufficient to establish that the evaluation was unreasonable. DEI Consulting, B-401258, July 13, 2009, 2009 CPD ¶ 151 at 2.

5 The protester used essentially the same claim to challenge each of the three evaluation factors. For example, Converge argues that “[b]ecause Noblis’[] Technical Approach relied on performance by its proposed key personnel, but its labor mix failed to demonstrate they would work enough level of effort to perform their proposed roles, the proposal lacked sufficient information to conclude that its pricing was consistent with its Technical Approach.” Protester’s Suppl. Comments at 11. In challenging the agency’s evaluation under the management approach factor, Converge asserts that “[b]ecause Noblis’[] Management Approach was based upon its proposed key personnel, but its labor mix failed to demonstrate that they would work enough level of effort to perform their proposed roles, the proposal lacked sufficient information to conclude that its pricing was consistent with its Management Approach.” Id. at 14. With regard to the agency’s price realism analysis, the protester argues that the agency failed to perform “a comparative analysis between the labor category descriptions in the price list and the actual individuals proposed, and whether the hours proposed for those labor categories are sufficient to perform the roles described for the personnel in the technical volume” Id. at 6.
As relevant here, under the RFQ’s technical approach factor, a vendor’s quotation had to demonstrate a clear understanding of the work to be performed. Id., at 14. Quotations had to outline “an effective, efficient, achievable approach for accomplishing the work to be performed” within the timeline specified. Id. at 14-15. In order to receive an excellent rating under the technical approach factor, quotations had to demonstrate an outstanding technical solution and qualifications to perform the work required. Id. at 15. Furthermore, the quotation had to demonstrate that there was “no doubt” that the vendor could successfully perform the effort. Id.

Under the management approach factor, a vendor’s quotation had to contain “a sound plan to effectively manage project schedule, costs, deliverables, and personnel.” Id. at 15. In order to receive an excellent rating under the management approach factor, quotations had to demonstrate an exceptional ability to effectively manage the RFQ’s project schedule, costs, deliverables, and personnel. Id. Furthermore, the quotation had to have significant strengths, no weaknesses, and no deficiencies. Id.

Where, as here, an agency issues an RFQ to FSS vendors under FAR subpart 8.4 and conducts a competition for the issuance of an order, 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. Digital Solutions, Inc., B-402067, Jan. 12, 2010, 2010 CPD ¶ 26 at 3-4. A protester’s disagreement with the agency’s judgment, without more, is insufficient to establish that the evaluation was unreasonable. DEI Consulting, supra.

Here, the agency assigned an excellent rating to Noblis’ quotation under the technical and management approach factors based on the absence of any weaknesses, along with the strength and significant strengths that were identified by the TET. AR, Tab 7.b, Selection Decision Memorandum, at 8. The technical volume of Noblis’ quotation explained how the vendor intended to perform the RFQ’s requirements. AR, Tab 6.c, Noblis Quotation Technical Volume, at 3-21. For example, Noblis indicated how it would provide acquisition support to the IRS, identified various acquisition tools it would use to meet the agency’s needs, and included relevant organizational structure charts. Id. Moreover, Noblis’ quotation identified the key personnel it intended to use, and also contained a description of their qualifications. Id. at 20-21, A2-A11. Based on this information the IRS concluded that Noblis “provided many solid suggestions and plans on how to accomplish the work required.” AR, Tab 7.b, Selection Decision Memorandum, at 8. The agency also determined that Noblis’ response “clearly demonstrate[d] excellent qualifications to perform required work, as outlined within the [performance work statement],” and that the proposed key personnel “have the relevant skill sets and past experience to successfully execute the requirement.” Id. This evaluation complied with the solicitation’s requirements, and accordingly we find that the agency’s assessment of Noblis’ quotation under the technical and management approach factors was reasonable. Digital Solutions, Inc., supra.
With regard to the agency’s price realism evaluation, the RFQ provided that prices would be evaluated to determine if they were consistent with a vendor’s technical quotation and cautioned that an unacceptable rating could be assigned, if a quotation was: “(1) unrealistic in terms of either technical or cost/price; (2) indicative of failure to comprehend the complexity and risks associated with the solicitation requirements; (3) reflective of a lack of competence; or (4) indicate[s] an inherent performance or cost risk weakness in the approach.” AR, Tab 4.d, RFQ amend., at 18. The solicitation also provided that the IRS would use a vendor’s response to the RFQ, and the pricing volume of the vendor’s quotation, to confirm that the vendor had a clear understanding of the solicitation’s requirements and that labor categories were traceable to the schedule contractor’s price list. Id. at 12.

While an agency may elect to perform a realism analysis in connection with the issuance of a fixed-price or fixed-rate task order—in order to assess a vendor’s risk or to measure a vendor’s understanding of the solicitation’s requirements—the agency may not evaluate quotations for realism unless it includes such a requirement in the solicitation. VariQ Corp., B-409114 et al., Jan. 27, 2014, 2014 CPD ¶ 58 at 14; Belzon, Inc., B-404416 et al., Feb. 9, 2011, 2011 CPD ¶ 40 at 9. The nature and extent of an agency’s price realism analysis are matters within the agency’s discretion. Arrington Dixon & Assocs., Inc., B-409981, B-409981.2, Oct. 3, 2014, 2014 CPD ¶ 284 at 6. Our review of a price realism analysis is limited to determining whether it was reasonable and consistent with the terms of the solicitation. Id.

Here, it is clear the solicitation contemplated that the agency would perform a price realism analysis of vendor’s quotations. The price section of Noblis’ quotation identified the key personnel who would be performing under the task order, and also included tables with position titles, proposed hours, hourly rates, discounted hourly rates, and the overall price for each position. AR, Tab 6.a, Noblis Quotation Price Volume, at 2-8. Noblis’ price volume also contained a table which identified the vendor’s GSA schedule contract number, along with the labor categories that corresponded to each of the position titles. Id. at 9. The agency performed and documented a price realism evaluation that used the information from the price volume of Noblis’ quotation and analyzed: the proposed labor mix; the GSA schedule discount being offered; and the ability of Noblis to successfully perform the RFQ’s tasks. AR, Tab 7.b, Selection Decision Document, at 9-11. For example, based on information from the quotation, the TET concluded that Noblis could accomplish the RFQ’s tasks using “a mix of [DELETED],” that it would be able to “ensure the IRS successfully accomplishes this project,” and that Noblis’ proposed labor mix “was considered to be realistic to the requirement.” Id. at 10. Our review of the contemporaneous record confirms that the IRS’s price realism analysis was reasonable and consistent with the terms of the solicitation. Arrington Dixon & Assocs., Inc., supra.

Converge insists that the solicitation’s evaluation language should be interpreted to require that the agency use “both the technical volume and the price volume to confirm that labor categories are traceable to [Noblis’] GSA schedule price list.” Protester’s Second Supplemental Comments at 6. As previously mentioned, the RFQ simply did
not require this type of detailed crosswalk. Our Office has consistently explained that
the depth and manner of an agency’s price realism analysis is a matter within the
agency’s discretion.\footnote{\textit{AllWorld Language Consultants, Inc., B-414244, B-414244.2, Apr.
3, 2017, 2017 CPD ¶ 111 at 12.} Accordingly, on this record we find no basis to
conclude that the agency’s price realism evaluation, or its evaluation of Noblis’ quotation
under the technical or management approach factors was unreasonable.}

Unequal Treatment

Finally, the protester argues that the agency improperly assigned a weakness to
Converge’s quotation under the management approach factor for failing to identify
specific engineering resources and describing how those resources would be used to
provide support under the resulting task order. Converge contends that its quotation
provided engineering resources that were overlooked by the IRS, and that there were
no substantial differences between the two quotations with regard to engineering
resources support. Based on these alleged errors, the protester argues that it was
improper for the agency to assign a weakness to Converge’s quotation, without
assigning a similar weakness to Noblis’ quotation, when both vendor’s provided
substantially similar information. Protester’s Comments at 20.

In response to the protester’s allegation, the IRS acknowledges that Converge’s
quotation provided for engineering resources that the TET overlooked, but argues that
Converge is unable to demonstrate prejudice because even if the agency corrected the
error, Noblis would still receive the order since its quotation would remain more
highly-rated overall under the RFQ’s non-price factors, while also being lower-priced.\footnote{The agency did not concede that the evaluation was unequal, but rather asserts that the
second part of the assessed weakness remained valid; that is Converge failed to
specify how the identified resources “would support the collaborative effort needed to
perform contract reviews between IRS, Treasury and the [enterprise infrastructure
solutions] vendor.” Supp. MOL at 15.}

\footnote{In support of its price realism allegation, Converge cites to a prior decision issued by
our Office which involved circumstances materially different from those here. In this
regard, the protester cites to \textit{Solers Inc., B-409079, B-409079.2, Jan. 27, 2014, 2014
CPD ¶ 74,} where we sustained a protest because the contemporaneous record did not
explain how the agency resolved concerns it had with the awardee’s price, and failed to
provide the basis for the agency’s conclusions that the awardee’s price was realistic. \textit{Id.}
at 8. That decision, unlike the instant protest, addressed the award of a contract with
both cost-reimbursement and fixed-price contract line items. \textit{Id.} at 2. Furthermore, in
\textit{Solers}, we concluded that the cost and price realism evaluation was unreasonable
because the agency failed to document the basis for the conclusions reached by the
technical evaluators. \textit{Id.} at 7-10. In contrast, and as discussed above, the agency’s
evaluation in the instant protest was adequately documented, and consistent with the
solicitation’s requirements.}
Competitive prejudice is an essential element of a viable protest, and we will sustain a protest only where the protester demonstrates that, but for the agency’s improper actions, it would have had a substantial chance of receiving the award. Savvee Consulting, Inc., B-408623, B-408623.2, Nov. 8, 2013, 2013 CPD ¶ 265 at 7; See Booz Allen Hamilton Inc., B-414283, B-414283.2, Apr. 27, 2017, 2017 CPD ¶ 159 at 11.

We agree. In our view, even assuming the agency erred in assigning Converge a weakness under the management approach factor, the protester has failed to demonstrate that it was competitively prejudiced. The RFQ provided that the order resulting from the solicitation would be issued on a best-value tradeoff basis, considering price and non-price factors. As noted earlier, the non-price factors (technical approach, management approach, corporate experience, and past performance) were weighted in descending order of importance and, when combined, were significantly more important than price. AR, Tab 4.d, RFQ amend., at 14. Id. Here, even if the IRS changed the rating assigned to Converge from good to excellent (the highest adjectival rating possible), or to the rating assigned to Noblis’ from excellent to good under the management approach factor, the ratings under all the other non-price factors would still remain the same. Specifically, the quotation submitted by Noblis would remain more highly rated under the most important factor (technical approach), rated the same under the remaining non-price factors, and would also be the lowest in price.8 Thus, even if we were to find that the agency unequally assigned a weakness to Converge’s quotation under the management approach factor, the protester cannot establish that it would have had a substantial chance of receiving the task order because, after combining all non-price evaluation factors, Noblis’ quotation would still be overall more highly rated and lower in price. See Booz Allen Hamilton Inc., supra at 11-12 (denying protest where protester could not demonstrate prejudice because any potential evaluation errors would not have affected the competitive positions of the offerors).

The protest is denied.

Thomas H. Armstrong
General Counsel

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8 As discussed earlier, we found unobjectionable the agency’s evaluation of vendor’s quotations under the technical approach factor, where Noblis was assigned an excellent rating and Converge was assigned a satisfactory rating. AR, Tab 7.a, Converge Consensus Technical Evaluation, at 4; Tab 7.e, Noblis, Technical Evaluation, at 4; Tab 7.b, Selection Decision Memorandum, at 8.