



Decision

Matter of: Ryan P. Slaughter dba Allied Synergy International

File: B-417036

Date: January 16, 2019

Ryan P. Slaughter, the protester.
Kathryn V. Flood, Esq., Piliero Mazza PLLC, for SC Jones Services, Inc., the intervenor.
Alexander T. Bakos, Esq., Steven Horn, Esq., and Vincent A. Salgado, Esq., National Aeronautics and Space Administration, for the agency.
Paul N. Wengert, Esq., and Tania Calhoun, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest that agency misevaluated offerors' prices is denied where the agency's price evaluation for indefinite-delivery, indefinite-quantity contract line items, which used estimated quantities specified in the solicitation, was reasonable and consistent with the price evaluation described in the solicitation.

DECISION

Ryan P. Slaughter, doing business as Allied Synergy International (ASI), of Franklin Furnace, Ohio, a small business, protests the award of a contract to SC Jones Services, Inc. (SCJS)¹, of Hampton, Virginia, also a small business, under request for proposals (RFP) No. 80KSC018R0014, issued by the National Aeronautics and Space Administration (NASA), for commercial grounds maintenance, landscaping, and pest control services at the John F. Kennedy Space Center (KSC) and surrounding areas, in Florida. ASI contends that NASA misevaluated SCJS's price and awarded the contract based on the erroneous conclusion that SCJS's was the lowest-priced technically acceptable proposal.

We deny the protest.

¹ SCJS is the incumbent contractor. Agency Report (AR) Tab 34, Spreadsheet of Offeror Questions & Answers, at 1.

The RFP, issued on June 6, 2018, sought proposals from historically-underutilized business zone (HUBZone) small businesses to perform the KSC Grounds and Pest Control Contract II (KGPC II) for a base year and four option years. The RFP provided for proposals to be evaluated under two factors, technical acceptability and price, and specified that award would be made to the offeror that submitted the lowest-priced technically acceptable proposal. AR, Tab 4, RFP at 75.

Under the technical acceptability factor, the RFP identified six subfactors: recent relevant experience, project manager experience, certifications/licenses, union labor experience, resources, and phase-in. Each subfactor was to be rated as either meets or does not meet for the associated criteria. To be rated technically acceptable, a proposal had to be rated meets for all six subfactors. Id.

Under the price factor, as clause B.1, the RFP provided pricing tables for offerors to submit a fixed price for 1 month of phase-in activity, and annual fixed prices for the basic grounds maintenance/landscaping requirement and the pest control services requirement. On each year's pricing table in clause B.1, the RFP noted that the indefinite-delivery, indefinite-quantity (IDIQ) orders were "NTE [not to exceed] \$300,000" annually. Id. at 6-8. Clause B.2 then stated that "[t]he total firm fixed price of this contract is identified in clause B.1 (above)." Id. at 8. In clause B.3, the RFP then provided a table for offerors to specify unit prices for 16 types of additional services that the agency could order using IDIQ contract line item numbers (CLIN). Id. Those IDIQ services included, for example, a per acre price for mowing near buildings, a per hour price for emergency cleanup, and per incident prices for removing trees of various sizes. Id. at 6-9. The RFP also provided pricing tables and an electronic pricing template, which was identified as attachment L-01, which consisted of two Excel electronic spreadsheets. The RFP cautioned offerors to ensure that the information in the electronic pricing template worksheets was consistent with the offeror's prices in its pricing tables. Id. at 9.

The RFP stated that the agency would calculate a total evaluated price by adding the prices for basic grounds maintenance/landscaping requirements for the base period and all options, plus the prices for the pest control services requirements for the base period and all options, plus an amount for all IDIQ contract line items. Id. at 78. The IDIQ line item pricing was to be evaluated by multiplying the offeror's unit prices by the estimated quantities that were specified in the second spreadsheet. RFP attach. L-01 at 2. The RFP provided that "for award purposes," the price evaluation would be performed by "multiplying the unit price times the quantities specified for each year, and adding the total price for all options, as well as the phase-in pricing, to the total price for the basic requirement." RFP at 78.

NASA received proposals from four HUBZone small business offerors, including SCJS and ASI. Contracting Officer's Statement at 5, 10. After reviewing each proposal to determine that it appeared to be compliant with the RFP's page limits and set-aside requirements, the contracting officer ranked the proposals according to their total evaluated prices, from lowest to highest, starting with SCJS at \$10.0 million, followed by ASI at \$10.4 million, followed by the two remaining offerors. Id. at 10.

The agency then evaluated SCJS's proposal under the technical acceptability factor and subfactors, and concluded that the proposal was technically acceptable. Id. at 11. On August 8, NASA informed ASI and the other offerors that SCJS was the apparent successful offeror. After the Small Business Administration denied a protest challenging SCJS's eligibility, and a subsequent appeal, NASA awarded the contract to SCJS. Id. On October 18, NASA posted a notice of the award to SCJS on fbo.gov, which included a statement that the "contract award dollar amount" was \$10.97 million.² AR Tab 63, Award Notice from fbo.gov, at 1. After receiving a debriefing, ASI filed this protest.

PROTEST

ASI argues that NASA miscalculated the offerors' prices for purposes of award by using the evaluated price for the IDIQ elements of the contract. ASI argues that the terms of the RFP required NASA to calculate the offerors' prices using the not-to-exceed amounts (\$300,000 per year) for the IDIQ elements, which would make ASI's price \$10.75 million, compared to SCJS's price of \$10.97 million. Protest at 1. ASI maintains that "[i]t is counterintuitive and counterproductive to utilize an evaluated price for award purposes because it can cause increased government spending and cost overruns." Id. at 2. ASI further argues that when RFP section B.2 stated that "total firm fixed price of this contract is identified in clause B.1 [above]," the RFP required NASA to conduct the price evaluation using only the not-to-exceed pricing, thereby excluding table B.3 (which ASI emphasizes was located below clause B.2), from the price evaluation. Protester's Comments at 6-7.

NASA argues that the RFP provided a specific method for determining each offeror's price for purposes of award, which specified that the agency would add the fixed-price CLINs to an estimated price for the IDIQ CLINs based on the estimated quantities of each IDIQ CLIN in table B.3. The agency argues that the price evaluation followed the procedure specified in the RFP, and accurately calculated that the proposal from SCJS offered the lowest price. In contrast, NASA argues, the price evaluation that ASI argues for would have been contrary to the terms of the RFP.

The manner and depth of an agency's price analysis is a matter within the sound exercise of the agency's discretion, and we will not disturb such an analysis unless it lacks a reasonable basis. Enterprise Servs., LLC et al., B-415368.2 et al., Jan. 4, 2018, 2018 CPD ¶ 44 at 22. More specifically, it is up to the agency to decide upon the appropriate method for evaluation of cost or price in a given procurement, although the

² The agency explains that this value was not used for award purposes, but was instead calculated pursuant to agency regulations, which specify that IDIQ contract announcements include the maximum value of the IDIQ elements, not the evaluated price used for source selection purposes. The value also reflects a reduction of the base period by 1 month due to the time that passed during the size protests. AR Legal Memorandum at 11-12 (citing NASA Federal Acquisition Regulation Supplement, 48 C.F.R. § 1805.303-70(c)).

agency must use an evaluation method that provides a basis for a reasonable assessment of the cost of performance under the competing proposals. Id.

We agree with NASA that the agency's use of the estimated quantities specified in the RFP to calculate evaluated prices for IDIQ CLINs, rather than using the higher not-to-exceed limit, was required by the RFP. Additionally, ASI has not shown that the price evaluation used by NASA was unreasonable, or that it was prohibited by law or regulation. The agency's evaluation determined that ASI's evaluated price was \$10.4 million, compared to SCJS's evaluated price of \$10.0 million, making SCJS's proposal the lowest-priced. Accordingly, we deny ASI's protest of the decision to award the contract to SCJS as the lowest-priced technically acceptable proposal.

The protest is denied.

Thomas H. Armstrong
General Counsel