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Decision

Matter of: Knight Point Systems, LLC

File: B-418746

Date: August 24, 2020

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Shandra J. Kotzun, Esq., Department of Homeland Security, for the agency.
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DIGEST

1. Protest challenging agency's decision to exclude quotation from consideration is sustained where record shows that quotation was eliminated based on considerations not contemplated by the solicitation's requirements.
 2. Protest challenging agency's decision to exclude quotation from consideration is sustained where record shows that the agency's conclusion regarding the identity of the entity submitting the quotation is not supported by the record.
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DECISION

Knight Point Systems, LLC, of Chantilly, Virginia, protests the Department of Homeland Security, United States Coast Guard's decision to exclude Knight Point's quotation from further consideration under request for quotation (RFQ) No. 70Z07920QPT203400, issued by the United States Coast Guard, for infrastructure management services (IMS). The protester argues that the agency unreasonably concluded that the quotation had been submitted by Knight Point's parent company, Perspecta, Inc., instead of by Knight Point, and therefore, that Knight Point was ineligible for award.

We sustain the protest.

BACKGROUND

The Coast Guard issued the RFQ on April 6, 2020, for a multi-phase procurement under Federal Acquisition Regulation (FAR) subpart 8.4, to vendors holding General Services Administration (GSA) Federal Supply Schedule contracts under Information Technology

Schedule 70. The solicitation contemplates the establishment of two, fixed-price blanket purchasing agreements (BPAs): the first with a vendor that holds a GSA schedule contract, with four required special item numbers (SINs),¹ to be the team leader responsible for the requirement as a whole (referred to herein as the IMS prime vendor); and the second with a small business vendor that is responsible for providing end user hardware devices (referred to as the hardware vendor).² The solicitation also anticipates the issuance of an initial task order (task order 1) under each BPA. The combined estimated value of the two BPAs is \$969 million. Agency Report (AR), Tab 8, RFQ, amend. 0001, at iv.³

The RFQ provides for three evaluation phases: phase I (prior experience), phase II (technical approach), and phase III (performance and pricing). *Id.* at 18. As relevant here, phase I, prior experience, consists of: verifying that the IMS prime vendor possesses the four required GSA schedule SINs; confirming the IMS prime vendor meets the RFQ's small business subcontracting goals requiring that the IMS prime vendor allocate 40 percent of subcontracted dollars to small businesses, not including the dollars allocated to the hardware vendor; and evaluating the IMS prime vendor's prior experience submission. *Id.* at 20-22, 29-30.

The RFQ provides, as relevant here, that to be considered for a BPA and task order 1, the IMS prime vendor "shall submit a response for Phase I by the Quote Submission Deadline," and that "[f]ailure to submit a response in Phase I precludes an IMS prime vendor from participating in Phase II and Phase III." *Id.* at 15. The solicitation also provides that the IMS prime vendor shall submit a quotation that "clearly, concisely, and accurately describe[s] the IMS prime vendor's response to the RFQ." *Id.* at 18.

For small business subcontracting goals, the solicitation provides: "If an IMS prime vendor does not have an established GSA Subcontracting Plan, the IMS prime vendor shall submit a Small Business Subcontracting Plan [in accordance with] FAR 52.219-9(d)." *Id.* at 21. With regard to prior experience, the solicitation explains that the "IMS prime vendor shall provide up to four (4) examples of demonstrated experience as a Prime Contractor." *Id.* It also instructs that the "information provided shall be sufficiently detailed that the Government can determine whether the examples demonstrate the IMS Prime Vendor's experience," and that the agency "will not contact

¹ These GSA Schedule 70 SINs include: SIN 132-40, Cloud; 132-45D, Risk and Vulnerability Assessment; 132-51, IT Professional Services; and 70-500, Order-Level Materials (OLMs). RFQ at iii.

² The hardware vendor is required to have GSA Schedule 70 SIN 132-8, Purchase of New Equipment. *Id.* at 31.

³ The RFQ has been amended once. Citations to the RFQ are to the amended copy, which fully incorporated the initial RFQ and was provided in the AR at tab 8.

references for the purposes of obtaining detail lacking from the IMS prime vendor's response." *Id.* at 20-22.

On April 20, 2020, the Coast Guard received a timely quotation on Perspecta letterhead. AR, Tab 16, Quotation. The quotation's cover page stated that the quotation had been prepared by "Knight Point Systems, LLC (a Perspecta company)."⁴ AR, Tab 16, Quotation, Cover Page. The introductory paragraph of the quotation's cover letter stated as follows:

Perspecta Inc., (Perspecta; NYSE: PRSP), submitting this proposal through its bidding entity, Knight Point Systems, LLC (Knight Point), is pleased to respond to the subject opportunity for the Department of Homeland Security (DHS), United States Coast Guard (USCG) for Infrastructure Managed Services (IMS). The Perspecta name used throughout this proposal is considered interchangeable among the legal bidding entity, Knight Point.

Id. at 2. The cover letter identified Knight Point as the IMS prime vendor, and included a single Dun & Bradstreet (DUNS) number and commercial and government entity (cage) code--both for Knight Point. *Id.* at 3. The quotation also included a copy of Knight Point's GSA Schedule contract, with the four SINS required by the RFQ. *Id.* at 5. The quotation was signed by an individual authorized to negotiate on Knight Point's behalf. *Id.* at 3.

In addition to the references to Knight Point, the quotation included multiple references to Perspecta. For example, the quotation cover letter stated that "Perspecta, through its bidding entity Knight Point, hereby acknowledges BPA RFQ IMS Amendment 01, dated 14-APR-2020." *Id.* at 2.

On April 24, 2020, the contracting officer sent a letter to "Knight Point Systems, LLC (a Perspecta company)."⁵ AR, Tab 22, Communications Letter, at 1. The letter advised that the agency did not understand the "relationship between Perspecta and Knight Point," and sought clarification regarding the quotation's use of the term "Legal Bidding Entity." *Id.* The letter also asked what the quotation meant by saying that the "Perspecta and Knight Point company names are interchangeable," and asked whether Knight Point and Perspecta were independent entities with the ability to enter into their own contracts. *Id.*

⁴ The cover page also contained a Freedom of Information Action Act exemption notice, which similarly identified "Knight Point Systems, LLC, a Perspecta company," as the owner of the quotation's information. AR, Tab 16, Quotation, Cover Page.

⁵ The letter specified that the agency was "not requesting or accepting quote revisions," but rather, "requesting written responses" to the agency's questions. AR, Tab 22, Communications Letter, at 1.

In addition, as relevant here, the letter noted that the solicitation required that the IMS prime vendor submit prior experience examples where the IMS prime vendor was the prime contractor on the contract. *Id.* The agency advised, however, that although Knight Point had been identified as the IMS prime vendor, all “[p]rior [e]xperience examples identify Perspecta as the [p]rime [c]ontractor.” *Id.* The agency therefore asked that the vendor explain why this “experience should be considered as the [p]rior [e]xperience of the IMS prime vendor, Knight Point.” *Id.*

In response, the vendor explained that, “Perspecta Inc. (Perspecta) acquired Knight Point Systems, LLC (Knight Point),” on August 1, 2019, and that “Perspecta is the parent company that wholly owns Knight Point.” AR, Tab 24, Communications Response, at 2. With regard to the term “Legal Bidding Entity” as used in the quotation, the response explained that this term “refers to the legal entity that is submitting the proposal for the [Coast Guard] IMS program,” and that “[f]or this procurement, Knight Point is the legal bidding entity holding the required GSA IT Schedule 70 No. GS-35F-0646S entering into this contract, if awarded.” *Id.*

In response to the inquiry about how the company names Perspecta and Knight Point can be interchangeable, the vendor reiterated that “[f]or the avoidance of any doubt, Knight Point is the bidding entity and Perspecta is the parent company.” *Id.* The vendor then explained that, “[i]n order to demonstrate the full suite of capabilities, we included Prior Experience citations across the Perspecta enterprise as ‘Perspecta,’ and we regret the confusion this may have caused.” *Id.* The vendor explained that “[b]ecause Knight Point is fully integrated into the Perspecta corporate enterprise operating model, (*i.e.* the Perspecta corporate family), Knight Point is able to offer [the Coast Guard] the full resources of not only Knight Point, but of its parent and affiliates as well.” *Id.* The vendor also explained that “[o]ur Phase 1 submission included efforts performed by both Knight Point and Perspecta subsidiary [DELETED].” *Id.* Additionally, it noted that “Knight Point’s offerings are significantly enhanced through its corporate affiliation with Perspecta and other Perspecta subsidiaries,” and “[w]e anticipate that Knight Point will undergo a name change later this year to conform the entity name to the Perspecta brand.” The vendor added, however, that “this will have no effect on Knight Point’s ability to deliver the capabilities highlighted in our Phase 1 submission for the USCG IMS program.” *Id.*

In response to the agency’s question regarding why the prior experience in the quotation should be attributed to Knight Point as the IMS prime vendor, the vendor explained that the phase I quotation included [DELETED] from Knight Point and [DELETED] from [DELETED], both of which are operating as subsidiaries under the common control of the parent company, Perspecta. *Id.* at 3. The vendor stated that Knight Point, the IMS prime vendor, is the “prime contractor for the [DELETED] identified in the quotation, and [DELETED] “is the prime contractor” for the other [DELETED] identified. *Id.* The vendor also noted that “[e]ach of the [p]rior [e]xperience citations in our Phase I response individually met all of the relevant capabilities required by [the prior experience factor] of the RFQ.” *Id.*

After reviewing the quotation and response from the vendor, the contracting officer determined that Perspecta, rather than Knight Point, submitted the quotation. Protest, exh. E, Coast Guard Decision, at 1. The contracting officer noted that “the letterhead, certifications, representations, and the majority of the quote all use the Perspecta name.” *Id.* The contracting officer also found that “the Small Business Plan was submitted by Perspecta” and that “the four Prior Experience examples were submitted as Perspecta experience.” *Id.* The contracting officer explained that the “RFQ instructions required that the IMS prime vendor submit a quote that clearly, concisely, and accurately describe[s] the IMS prime vendor’s response to the RFQ.” *Id.* at 2. He further noted that the solicitation also stated that “for each phase the Government will review the quote to ensure that all required volumes/information have been included for the current Phase,” and that if “an IMS [p]rime [v]endor does not submit all required volumes/information for the current phase, the IMS [p]rime [v]endor’s submission may be rejected and the IMS [p]rime [v]endor will be ineligible for award.” *Id.* The contacting officer concluded that, although Knight Point was the IMS prime vendor, it was not the entity that had submitted the quotation, and therefore, the quotation did not meet the requirements of the RFQ. *Id.*

On May 6, 2020, the Coast Guard issued its decision to reject the quotation and exclude the protester from further consideration. After attempts to engage the Coast Guard in additional communications regarding this issue failed, Knight Point filed the instant protest.

DISCUSSION

Knight Point challenges the agency’s decision to exclude its quotation from phase I of the procurement. The protester argues that the agency unreasonably concluded that the quotation was submitted by Knight Point’s parent company, Perspecta, instead of by Knight Point. The protester asserts that the quotation as a whole shows that Knight Point—not Perspecta—prepared the quotation, submitted the quotation, and as the IMS prime vendor, will be the entity with which the Coast Guard is required to establish the BPA if its quotation is successful.

The agency argues that the solicitation required that the IMS prime vendor submit “all required information in response to the RFQ requirements,” and that the agency’s decision to reject the quotation here was reasonable because it was submitted by Perspecta, rather than by the IMS prime vendor. Contracting Officer’s Statement and Memorandum of Law (COS/MOL) at 2. For the reasons discussed below, we conclude that the agency’s determination to exclude the quotation from the competition was unreasonable and inconsistent with the terms of the solicitation, and sustain the protest on this basis.

We have concluded in past disputes that uncertainty as to the identity of a quoting entity renders the quotation technically unacceptable, since ambiguity as to the quoter’s identity could result in there being no party that is bound to perform the obligations of the contract. *Dick Enterprises, Inc.*, B-259686.2, June 21, 1995, 95-1 CPD ¶ 286 at 1.

There is no such concern, however, where it is clear from the quotation which entity will be bound to perform. See, e.g., *Kollman, Inc.*, B-413485 *et al.*, Nov. 8, 2016, 2016 CPD ¶ 326 at 5 (finding no ambiguity where entity bound to perform contract was identified by unique CAGE code); see *Trandes Corp.*, B-271662, Aug. 2, 1996, 96-2 CPD ¶ 57 at 3 n.1 (“inclusion of the names of corporate affiliates in a proposal does not make the identity of the offeror ambiguous where . . . it is possible to sufficiently identify the offering entity so that it would not be able to avoid the obligations of the offer”).

Knight Point argues that the quotation was not ambiguous as to whether it or its parent company, Perspecta, submitted the quotation. The protester asserts that Knight Point submitted the quotation because the submission identified Knight Point as the “offeror” and included, for example, a single CAGE code and a single DUNS number--both Knight Point’s. In addition, Knight Point notes that the quotation consistently identified Knight Point as the “bidding entity” and included a copy of Knight Point’s GSA schedule contract. The protester also asserts that there was no ambiguity in the quotation regarding which entity would be bound to perform the awarded BPA.

The Coast Guard acknowledges that the quotation identified Knight Point as the IMS prime vendor. The Coast Guard also acknowledges that the quotation clearly indicates that, if the quotation is successful, Knight Point will be the entity that is bound to perform because the Coast Guard will be required to establish a BPA with Knight Point. Protest, exh. E, Decision at 1-2 (“[I]n the event the [quotation] was the successful [quotation] in this competitive solicitation, the BPA would have to be awarded to Knight Point.”). The Coast Guard argues, however, that, as noted above, the RFQ imposed the additional requirement that the IMS prime vendor submit all volumes/information for the current phase of the procurement. The agency asserts that the contracting officer reasonably determined that the quotation had been submitted by Perspecta, which was not identified in the quotation as the IMS prime vendor. COS/MOL at 14. The agency therefore asserts that its decision to exclude the quotation as ineligible for award complied with the terms of the RFQ and was reasonable.

In reviewing protests challenging an agency’s evaluation of quotations, we do not independently evaluate quotations. Rather we review the record to determine whether the agency’s evaluation was reasonable and consistent with the terms of the solicitation and applicable statutes and regulations. See *Innovative Mgmt. & Tech. Approaches, Inc.*, B-413084, B-413084.2, Aug. 10, 2016, 2016 CPD ¶ 217 at 4. While we will not substitute our judgment for that of the agency, we will sustain a protest where the agency’s conclusions are inconsistent with the solicitation’s evaluation criteria, inadequately documented, or not reasonably based. See *McCann-Erickson USA, Inc.*, B-414787, Sept. 18, 2017, 2017 CPD ¶ 300 at 3.

As explained below, we conclude that the agency’s decision to exclude the quotation from the competition here was unreasonable. First, the record shows that the agency decided to exclude the quotation from the competition based on considerations not contemplated by the solicitation’s requirements. In deciding to exclude the quotation, the agency relies upon solicitation language providing that “for each phase the

Government will review the quote to ensure that all required volumes/information have been included for the current Phase,” and that “[i]f an IMS prime vendor does not submit all required volumes/information for the current phase, the IMS prime vendor’s submission may be rejected and the IMS prime vendor will be ineligible for award.” RFQ at 29.

The agency essentially argues that this provision precluded any entity other than the IMS prime vendor from contributing information to the quotation. See, e.g., COS/MOL at 2 (“The RFQ was very specific on how vendors should propose in that the IMS prime vendor was to submit all required information in response to the RFQ requirements.”); see *id.* at 23 (agency asserts that “two separate legal entities contributed information in the quote contrary to the RFQ requirements that the IMS prime vendor shall submit all required information.”).

We find this was not a reasonable interpretation of the solicitation provision, which was clearly focused on the completeness of the information submitted, as opposed to the source of the information. Moreover, considering that this RFQ provision applies to all phases of the acquisition, the agency’s interpretation appears inconsistent with the solicitation’s contemplated incorporation of team members and subcontractors. RFQ at 32. Based on our review of the record and the terms of the solicitation, we conclude the agency’s reliance on this provision to exclude the quotation from the competition was unreasonable.

Second, the record fails to support the contracting officer’s conclusion that portions of the quotation, such as the small business subcontracting plan and the prior experience examples were submitted by Perspecta, Inc., rather than Knight Point. For example, with regard to the small business subcontracting plan, as indicated above, the agency determined that the plan was submitted by Perspecta, Inc. The agency made this determination in relevant part, because the plan stated that it was submitted by “a Large Business (LB) offeror” but, in contrast, according to a screenshot of Knight Point’s GSA Schedule 70 contract, the contracting officer concluded that “Knight Point is a small business[.]” AR, Tab 25, Phase I Initial Review & Eval., at 7 (“[A]lthough the quote says Perspecta is submitting the Small Business Subcontracting Plan through its legal bidding entity, Knight Point, within the Small Business Subcontracting Plan attachment, Perspecta states, “As a large Business (LB) offeror, Perspecta respectfully submits this Small Business Subcontracting Plan to the [Coast Guard]”, but Knight Point is a small business.”); COS/MOL at 8; AR, Tab 16, Quotation, at 2-1. As the protester points out, however, in light of Knight Point’s acquisition by Perspecta, Knight Point is no longer a small business.⁶

⁶ The record also shows that the contracting officer was aware of Perspecta’s acquisition of Knight Point at the time of the agency’s evaluation. See AR, Tab 24, Communications Response, at 2. The protester also maintains that Knight Point is not (and was not) identified as a small business in SAM.gov at the time of quotation submission.

The record also shows that the cover page of the small business subcontracting plan stated that the plan had been prepared by “Knight Point Systems, LLC, a Perspecta company.” The plan’s introduction stated it was an “individual plan” that was “developed specifically for this contract,” and identified: “Knight Point Systems, LLC.” AR, Tab 20, Quotation, attach. 2, Small Business Subcontracting Plan (SBSP), Cover Page, 1. The evaluation of the plan also shows that the agency found that it “met the Small Business Subcontracting Goals of the RFQ.” AR, Tab 25, Phase I Initial Review & Eval., at 4. On this record, we find the agency’s determination that the small business subcontracting plan was submitted by Perspecta is not supported by the record, and therefore, unreasonable.

Similarly, the agency determined that all the prior experience examples in the quotation are from Perspecta, and none from Knight Point. AR, Tab 25, Phase I Initial Review & Eval., at 7. This conclusion, however, is also not supported by the record. As discussed above, in response to the agency’s inquiry, Knight Point clarified that the prior experience examples included in the quotation were performed by Knight Point and [DELETED], both of which are subsidiaries of Perspecta, Inc. *Id.* at 5; AR, Tab 24, Communications Response, at 4 (Knight Point “is the prime contractor for the [DELETED],” and its affiliate, [DELETED], “is the prime contractor on the [DELETED].”). The response further explained that “Knight Point has access to the resources of the entire Perspecta family, and is relying on those resources in this procurement.” *Id.* at 3. In light of the clarification that Knight Point and [DELETED] were the prime contractors for the prior experience examples, we find the agency’s rationale--that the quotation was submitted by Perspecta, Inc., instead of Knight Point, because all four of the prior experience examples involved Perspecta, Inc. (instead of Knight Point)--is not supported by the record.⁷

⁷ After the vendor clarified that Knight Point was the prime contractor for [DELETED] of the prior experience examples in the quotation, the agency concluded that “to accept the assertion . . . the Phase I quote would have to be revised.” AR, Tab 25, Phase I Initial Review & Eval., at 5. This conclusion, however, appears to be based, at least in part, on the agency’s interpretation of the same RFQ requirement, which as discussed previously, we find was unreasonable. See *id.* (“This is a direct contradiction to the RFQ requirements that the IMS prime vendor submit Prior Experience examples where they were the [p]rime [c]ontractor.”). The record reflects that the quotation identified the following specific information for all four of the prior experience examples included in the quotation, as required by the RFQ: agency name, contract number, period of performance, total end users, and client contact information, and then detailed the experience on the contract. AR, Tab 16, Quotation, at 3-1–3-14; RFQ at 22.

Accordingly, all of the pertinent information regarding the prior experience [DELETED] for which Knight Point was the prime contractor was included in the quotation. AR, Tab 16, Quotation, at 3-1-3-4. Additionally, as discussed above, the quotation explained that the name Perspecta as used in the quotation was interchangeable with the entity, Knight Point. *Id.* at 1. All that was provided in the communications response letter was

Finally, we are not persuaded that the use of the name “Perspecta” in multiple places in the quotation reasonably supports the conclusion that the quotation was submitted by Perspecta, Inc., rather than Knight Point. The agency argues in this regard that the “cover letter clearly provided designated shorthand names for the two companies; ‘Perspecta, Inc. (Perspecta)’ and ‘Knight Point Systems, LLC (Knight Point),” and that, “[b]ased on this shorthand it was logical to conclude that the use of the name Perspecta was shorthand for Perspecta Inc. and the name Knight Point was shorthand for Knight Point Systems, LLC, not each other.” COS/MOL at 15. The agency asserts that “[t]his shorthand also indicates that Perspecta and Knight Point were two separate legal entities, not the same entity,” and “[a]s a result, it was reasonable for the [agency] to determine that any use of the name Perspecta actually referred to Perspecta, Inc., not the IMS [p]rime [v]endor.” *Id.*

Based on the plain language in the quotation, we find the agency’s conclusion in this regard unreasonable. Although the quotation’s cover letter included shorthand names for Perspecta, Inc., and Knight Point Systems, LLC, it also clearly advised that: “The Perspecta name used throughout this proposal is considered interchangeable among the legal bidding entity, Knight Point.” AR, Tab 16, Quotation, at 1. This sentence makes clear that the Perspecta “name” is interchangeable with the legal entity--Knight Point. Knight Point’s response further explained how the two company names were interchangeable, noting that “[f]or the avoidance of any doubt, Knight Point is the bidding entity and Perspecta is the parent company” but that Knight Point “[i]n order to demonstrate the full suite of capabilities,” included Prior Experience citations across the Perspecta enterprise as ‘Perspecta[.]’ AR, Tab 24, Communications Response, at 2.

Knight Point also explained that, “[b]ecause Knight Point is fully integrated into the Perspecta corporate enterprise operating model, (*i.e.* the Perspecta corporate family), Knight Point is able to offer [the Coast Guard] the full resources of not only Knight Point, but of its parent and affiliates as well,” and that “Knight Point’s offerings are significantly enhanced through its corporate affiliation with Perspecta and other Perspecta subsidiaries.” *Id.* Accordingly, although Perspecta, Inc. and Knight Point are separate legal entities, we find that the quotation, as a whole, sufficiently identified the relationship between the two entities. Additionally, we find that the quotation left no doubt as to which entity--*i.e.*, Knight Point, was submitting the quotation and would be the legal entity responsible for entering into the BPA with the Coast Guard if successful.

clarification that Knight Point was the prime contractor for the [DELETED] in the quotation. We see no reason why the quotation would need to be revised in order for the agency to consider the correct identity of the prime contractors provided in the quotation’s prior experience examples for purposes of evaluating the experience factor. We further note that the solicitation also provided that the agency may “contact references provided to confirm the accuracy of the information provided in the IMS [p]rime [v]endor’s response.” RFQ at 22. On this record, we do not agree with the agency that the quotation would necessarily need to be revised.

On this record, we conclude that the agency's evaluation that the quotation was submitted by Perspecta, Inc., rather than Knight Point, is not supported by the record. We further conclude that the agency's evaluation that the quotation failed to adhere to an RFQ requirement based on the conclusion that the quotation was submitted by Perspecta, Inc., rather than Knight Point, is inconsistent with the terms of the RFQ. We sustain the protest on these two bases.

RECOMMENDATION

We recommend that the Coast Guard reevaluate Knight Point's quotation in accordance with the solicitation and our decision, and make a new determination regarding advancement of the quotation to the next phase of the competition. We also recommend that Knight Point be reimbursed its costs of filing and pursuing the protest. Bid Protest Regulations, 4 C.F.R. § 21.8(d)(1). The protester's certified claims for such costs, detailing the time expended and costs incurred, must be submitted directly to the agency within 60 days after receipt of this decision. 4 C.F.R. § 21.8(f)(1).

The protest is sustained.

Thomas H. Armstrong
General Counsel