Decision

Matter of: Briar Meads Capital-BMC15-Westwood of Lisle, LLC

File: B-420800; B-420800.2

Date: September 7, 2022

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Robert W. Foltman, Esq., General Services Administration, for the agency.
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DIGEST

1. Protest alleging that the agency failed to comply with solicitation terms is dismissed as untimely where the protester failed to file its protest with our Office within 10 days of initial adverse agency action following the protester’s agency-level protest of the same issue.

2. Protester is not an interested party to challenge the agency’s evaluation of the awardee’s proposal where it would not be in line for award even if its protest were to be sustained.

DECISION

Briar Meads Capital, LLC, located in New York, New York, protests the award of a lease to Wilton U.S. Commercial Inc., of Chicago, Illinois, under request for lease proposals (RLP) No. 9IL2529, which was issued by the General Services Administration (GSA) to provide office space for the Nuclear Regulatory Commission’s (NRC) Chicago-area operations. Briar Meads, the incumbent lessor for this NRC office, argues that the agency failed to make award in accordance with the terms of the RLP.¹

We dismiss the protest.

¹ Briar Meads is the incumbent lessor for this NRC office, which currently occupies 79,407 square feet on two full floors and part of a third floor in a building owned by Briar Meads, located at 2443 Warrenville Road, Lisle, Illinois. Protest at 1. Briar Meads submitted an offer as “BM15-Westwood of Lisle, LLC” for leased space in its building in response to the subject solicitation. Id.
BACKGROUND

On September 27, 2021, GSA issued the RLP on behalf of the NRC seeking to lease up to 35,550 square feet of office and related space for a term of fifteen years. The first ten years were firm and could not be cancelled by GSA. GSA, however, retained cancellation rights for the remaining term of the lease. Protest, exh. 2, RLP at 1. The RLP established that award would be made on a lowest-price, technically acceptable (LPTA) basis. Id. at 15.

As relevant to the protest, the amount of space sought by the RLP is significantly smaller than the amount of space the NRC currently occupies, requiring a reconfigured tenant improvement buildout to house the NRC’s Chicago-area operations more efficiently. Req. for Dismissal at 1-2; RLP, Program of Requirements; Req. for Dismissal, exh. 1, Oct. 19, 2021 Letter at 1.

As also relevant, the solicitation explained how price proposals would be evaluated to determine lowest price, and included a detailed present value price evaluation formula. RLP at 15-16. In particular, the RLP provided that GSA would calculate the present value of all future rent and other payments, to which GSA would add one-time costs incurred in the first year of occupancy; the agency would then divide this sum by the offered square footage to yield a per square foot price for comparison between offerors. Id. As relevant here, the solicitation included a list of the costs that would be included in the agency’s present value price analysis. Id. at 16. The RLP also included a tenant improvement allowance (TIA) of $73.69 per square foot and required that offerors include the full TIA in their proposed rental rates. Id. at 14.

The RLP established a proposal deadline of October 19, 2021, and GSA received initial proposals from Briar Meads, Wilton, and at least two other offerors. RLP at 10; Req. for Dismissal at 2, 5. Briar Meads’s proposal offered space on the same floors of the building the NRC currently occupies. Protest, exh. 11, Briar Meads Proposal. Briar Meads’s proposal also included a letter from its project manager showing how the current space could be reconfigured to meet the agency’s new requirements.2 Protest, exh. 10, Briar Meads Oct. 19 Letter.

GSA found that Briar Meads’s initial proposal neither provided an explanation of how the old tenant improvements could be demolished and new tenant improvements constructed in existing space while it was being occupied by NRC, nor did it provide a phased buildout plan with “swing space.”3 Protest, exh. 13, GSA Letter, Nov. 3, 2021 at 1-3; Req. for Dismissal at 2.

2 The letter also asserted that some $1.5 million in savings could be realized by making use of existing buildout components. Protest, exh. 10, Briar Meads Oct. 19 Letter.

3 Swing space allows for the transition of employees into vacant spaces while repairs and renovations are in progress. See, e.g., M.A. Mortenson Co., B-413714, Dec. 9, 2016, 2016 CPD ¶ 361 at 2, n.3.
On November 3, GSA asked that Briar Meads address this issue in a revised proposal. Protest, exh. 13, GSA Letter, Nov. 3, 2021 at 1. On November 10, Briar Meads responded with a plan to phase the buildout with swing space. Protest, exh. 13A, Briar Meads Nov. 10 Letter at 1. Briar Meads’s first proposed “swing space” option moved half of the office into the space already occupied by the half that was not moving. Id. The other two options included moving to vacant space in the existing building or moving to another building owned by Briar Meads during buildout. Id.

On December 10, GSA issued amendment 4 to the RLP, which deleted the cost of “relocation of furniture, telecommunications, replications costs, and other move-related costs, if applicable” from the list of one-time costs that would be included in the agency’s present value price analysis. AR, exh. 15, RLP, amend. 0004 at 1; RLP at 16. Revised proposals were due December 16. RLP, amend. 0004 at 3. Along with revised proposals, offerors were required to submit a signed acknowledgement of amendment 4. Id. at 4.

On December 16, Briar Meads submitted a letter to the contracting officer in which it “objected [to] and challenged Amendment 4.” Protest at 6 (citing exh. 18, BMC Letter). In the letter, Briar Meads notes that it “recently learned that the Government has issued Amendment #4 to the [RLP],” which deletes the consideration of relocation and replication costs from the present value price evaluation. Protest, exh. 18, Dec. 16 Letter at 2. The protester asserts that “by not considering move and rep costs, the Government will not be able to determine that the lowest price reflects the total cost of the leasehold interest being acquired.” Id. In the letter, Briar Meads also requested a “response to [its] letter and resolution of this issue before final proposals are to be submitted in response to RLP 9IL2529.” Id. at 4. Also on December 16, in addition to the letter objecting to amendment 4, the protester submitted a revised proposal. Protest, exh. 17, Briar Meads Dec. 16, 2021 Revised Proposal. Briar Meads’s revised proposal did not include a signed acknowledgement of amendment 4. See id.

Thereafter, communications between the parties continued regarding issues the agency identified with the protester’s plan to renovate its current space that were not addressed in the protester’s proposal. See, e.g, Protest, exh. 19, GSA Jan. 26, 2021 email at 2 (raising concern as to “[h]ow the Lessor will adhere to the requirements of Section F of the Security Requirements in the [Program of Requirements] . . . during the renovations and construction[.]”); Protest, exh. 20, NRC Jan. 31, 2021 letter (same).

On February 1, 2022, GSA provided Briar Meads with a letter requesting final proposal revisions (FPRs) by February 14. Protest, exh. 21, GSA Request for FPRs. In the letter, the agency advised that: “Amendment 4 signed by ownership is required.” Id. The letter also advised the protester to “sharpen its pencil” and “offer its most competitive shell rate.” Id. at 2. On February 14, Briar Meads submitted its final proposal revision. Protest, exh. 22, Briar Meads FPR.

After evaluating proposals, GSA concluded that Wilton had submitted the lowest-priced, technically acceptable offer, with a net present value of $18.24 per square foot; in comparison, the net present value of the protester’s proposal was $23.32 per square

That same day, the agency notified Briar Meads that it had selected Wilton’s proposal for award. Protest, exh. 24, Notice of Unsuccessful Offeror at 1. After receiving a debriefing on June 1, the protester filed this protest with our Office.

DISCUSSION

The protester’s primary argument is that GSA failed to comply with the terms of the RLP by failing to select the lowest-priced, technically acceptable proposal for award. The protester also asserts that GSA failed to conduct meaningful discussions. Finally, the protester challenges the agency’s evaluation of the awardee’s price.

For the reasons discussed below, we dismiss the first argument—that the agency failed to comply with the terms of the solicitation—as untimely because the protester failed to file its protest with our Office within 10 days of initial adverse agency action following the protester’s agency-level protest of the same issue. We also dismiss the protester’s allegation regarding discussions because it fails to state a valid basis of protest. In light of our dismissal of these protest grounds, we find that the protester is not an interested party to maintain its challenge to the agency’s evaluation of the awardee’s proposal where there are several intervening offerors that were found to be technically acceptable with lower prices than Briar Meads, and therefore, the protester would not be in line for award even if its protest were to be sustained.4

Timeliness

The protester asserts that the agency “failed to comply with the award methodology articulated in the [RLP],” which provided for “award to the lowest priced technically acceptable offer.” Protest at 1; RLP at 15. The protester alleges that, because the RLP did not provide for the consideration of “move and replication costs,” the agency did not consider the “savings” the agency would get from the protester’s approach of renovating in NRC’s existing premises. Protest at 5, 13. The protester maintains that, because

4 Although we do not address all of the protester’s arguments in this decision, we have considered all of them, and find no basis to sustain the protest. For example, Briar Meads asserts that GSA’s and NRC’s actions throughout the procurement reflected bad faith and bias by agency officials against the incumbent. Protest at 9-10. Government officials are presumed to act in good faith, and a contention that procurement officials are motivated by bias or bad faith must be supported by convincing proof. Brian X. Scott, B-310970, B-310970.2, Mar. 26, 2008, 2008 CPD ¶ 59 at 4. Here, to the extent Briar Meads alleges bad faith, those allegations are not supported by any meaningful evidence and, accordingly, are dismissed. 4 C.F.R. § 21.5(f).
these savings were not considered, “it was not possible for GSA to determine the lowest priced offeror reflecting the total cost of this Lease.”\footnote{Similarly, the protester argues that the RLP requirement that all offerors include the full tenant improvement allowance of $73.69/square foot in their rental rates, without a “mechanism for crediting [an] offer with the cost of existing improvements and security features that would not have to be replicated,” precluded GSA from being able to determine the lowest-priced offer. Protest at 13.} In the protester’s view, had GSA properly considered these savings, its proposal, rather than the awardee’s, likely would have been the lowest-priced technically acceptable offer.

Prior to the agency report due date, the agency requested that our Office dismiss the protester’s argument as an untimely challenge to the terms of the solicitation. Req. for Dismissal at 3-4. The agency contends that the protester’s allegation—that GSA failed to consider alleged savings from the protester’s approach of renovating in NRC’s existing premises in the price evaluation—is not a complaint “that GSA evaluated its price and its competitors’ prices exactly how the RLP required, but that GSA should have done it differently.” Id. at 4. The agency thus maintains that the protester’s allegation is based upon alleged improprieties in the RLP (i.e., amendment 0004) which were apparent on the face of solicitation, and therefore, had to be filed prior to the next closing time for receipt of proposals following the amendment’s incorporation.

The protester objects to the agency’s request for dismissal. The protester maintains that its allegation constitutes a challenge to the agency’s evaluation, rather than the terms of the RLP, and thus is timely. Resp. to Req. for Dismissal at 3. In support of this position, the protester asserts that it was not until the debriefing that Briar Meads learned that GSA was not going to consider, as part of the agency’s evaluation, the savings in moving and replication costs that, according to the protester, would accrue to the government by again leasing space in the protester’s building. Id. Briar Meads further asserts that, to the extent its argument is a challenge to the terms of the solicitation, its December 16, 2021 letter to the contracting officer constituted the filing of an agency-level protest, thereby preserving its right to protest the terms of the solicitation with our Office. Id. at 3, n.4.

With regard to the protester’s first argument, as noted previously, the RLP detailed specifically how GSA would calculate the present value of price proposals to determine the lowest-price proposal. RLP at 15-17. Although relocation and replication costs were initially included in the costs that would be considered in the present value

\footnote{We dismiss this argument as untimely because the solicitation provision concerning the tenant improvement allowance was included in the initial RLP, and Briar Meads did not raise its concerns regarding this aspect of the RLP prior to the initial closing date for receipt of proposals. Our Bid Protest Regulations provide that protests based upon alleged improprieties in a solicitation, which are apparent prior to the time set for receipt of initial proposals, must be filed prior to that time. 4 C.F.R. § 21.2(a)(1). Because Briar Meads did not raise its challenges regarding the tenant improvement allowance prior to the initial RLP closing date of October 19, 2021, they are untimely now.}
evaluation, GSA revised the solicitation via amendment 0004 to delete these costs from consideration during the agency’s present value price analysis. RLP, amend. 0004 at 1. To the extent Briar Meads alleges that it was improper for the agency to fail to consider in its present value price evaluation the alleged savings to the government of not moving from the protester’s building, the protester’s allegation constitutes a challenge to the terms of the solicitation.

Turning then to the protester’s argument that its protest to our Office is timely because it previously filed an agency-level protest, the agency maintains that Briar Meads did not file an agency-level protest. Agency Resp. to GAO Notice at 1. The agency contends that the December 16 letter sent by the protester does not contain the necessary information required by the Federal Acquisition Regulation (FAR) to be considered an agency-level protest because the protester never identified the specific relief requested from the agency. Id. at 1. In the alternative, the agency argues that even if the protester’s December 16 letter could be characterized as an agency-level protest, Briar Meads’s protest with our Office would still be untimely because the passage of the February 14 date that FPRs were due constituted initial adverse action by the agency. Id. Thus, the protester should have filed the protest within 10 days of February 14. Id. at 2-3.

In response, the protester maintains that the December 16 letter was an agency-level protest because it “specifically expressed dissatisfaction, and the legal grounds therefore, with the agency’s actions” and “specifically requested resolution of the issue and a response to its letter.” Response to GAO Notice at 3. Specifically, Briar Meads asserts that in the December 16 letter, it “raised several issues including that GSA’s evaluation methodology was not structured to enable GSA to determine which offeror submitted the lowest priced technically acceptable offer.” Id. (citing Protest, exh. 18, Dec. 16 Letter at 2). The December 16 letter also noted that Briar Meads had “recently learned that the Government has issued Amendment #4 to the [RLP],” which deletes the consideration of relocation and replication costs from the present value price evaluation, and asserted that “by not considering move and rep costs, the Government will not be able to determine that the lowest price reflects the total cost of the leasehold interest being acquired.” Protest, exh. 18, Dec. 16 Letter at 2. The protester also maintains that the letter “challenged the evaluation methodology on the basis it could lead to a misleading result” and “argued that GSA’s ability to consider the savings represented by [Briar Meads’s] offer would be compromised, since the RLP permitted GSA to take a credit against the rent for unused Tenant Allowance, thus resulting in a misleading result.” Response to GAO Notice at 3. The protester also disagrees with the agency that its proceeding with receipt of proposals constituted adverse agency action.

The FAR requires that an agency-level protest include, among other things, a request for a ruling by the agency and a statement requesting a form of relief. FAR 33.103(d)(2)(v)-(vi). Although a letter or email does not have to state explicitly that it is intended as a protest for it to be so considered, it must, at least, express dissatisfaction with an agency decision and request corrective action. Western Star Hosp. Auth., Inc., B-414198.2, B-414198.3, June 7, 2017, 2017 CPD ¶ 183 at 6; Coulson Aviation (USA),
Based on this record, we find that the protester's December 16 letter to GSA's contracting officer was an agency-level protest. As stated above, to be regarded as a protest, a written statement need only convey the intent to protest by an expression of dissatisfaction with an agency procurement action and a request for corrective action. See Western Star Hosp., supra. Here, the protester's letter clearly expressed dissatisfaction with amendment 0004 and raised concerns regarding the solicitation's evaluation methodology. See Protest, exh. 18, Dec. 16 Letter at 2 ("We have recently learned that the Government has issued Amendment #4 to the [RLP]," which deletes the consideration of relocation and replication costs from the present value price evaluation; “by not considering move and rep costs, the Government will not be able to determine that the lowest price reflects the total cost of the leasehold interest being acquired."). The Briar Meads letter also requested corrective action by asking for “resolution of this issue” and “request[ing] a response to this letter” before “final proposals are to be submitted[.]” Id. at 4. The December 16 letter therefore conveyed the intent to protest. See FAR 33.103(d); Coulson Aviation, supra at 6-7; compare American Material Handling, Inc., B-250936, Mar. 1, 1993, 93-1 CPD ¶ 183 at 2-3 (finding protester's letter to be an agency-level protest when it recommended changes in the solicitation specifications and requested a response from the agency to its letter), with Silver Investments, Inc., B-419028, Oct. 26, 2020, 2020 CPD ¶ 332 at 4-5 (concluding protester's letter was not an agency-level protest where it did not request a ruling or any relief from the agency) and Western Star Hosp., supra at 7 (finding protester's email was not an agency-level protest where it did not request any response or relief from the agency).

Although we find that the protester's December 16 letter was an agency-level protest, we agree with the agency that Briar Meads's protest to our Office with regard to this issue is untimely. Our regulations provide that if an agency-level protest is timely filed, a protester has 10 days from initial adverse agency action to file a protest with our Office. 4 C.F.R. § 21.2(a)(3). The term “adverse agency action” means any action or

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6 Under our Bid Protest Regulations, a matter initially protested to the contracting agency will be considered timely by our Office only if the agency protest was filed within the time limits provided by our regulations, unless the contracting agency imposes a more stringent time for filing, in which case the agency’s time for filing will control. 4 C.F.R. § 21.2(a)(3). In this case, no party suggests that the agency’s regulations impose a more stringent time for filing, so the timeliness rules provided by our regulations are appropriately applied to the agency-level protest. As discussed above, our regulations require that protests based upon alleged improprieties that do not exist in the initial solicitation but which are subsequently incorporated into it must be protested not later than the next closing time for receipt of proposals following the incorporation. 4 C.F.R. § 21.2(a)(1).
inaction on the part of a contracting agency that is prejudicial to the position taken in a protest filed with the agency, including the “opening of bids or receipt of proposals.” 4 C.F.R. § 21.0(e); MLS-Multinational Logistic Servs., Ltd., B-415782, B-415782.2, Mar. 7, 2018, 2018 CPD ¶ 105 at 6 (finding protests untimely because they were not filed with GAO within 10 days of the solicitations’ respective closing dates, which constituted notice of initial adverse agency action of the protester’s agency-level protests). DAI, Inc., B-408625, B-408625.2, Nov. 6, 2013, 2013 CPD ¶ 259 at 3 (dismissing protest as untimely because it was not filed at GAO within 10 days of closing date for proposal receipt, which constituted initial adverse action on the protester’s agency-level protest).

Here, the record reflects that, after Briar Meads submitted its December 16 agency-level protest—in which it raised concerns regarding amendment 4 and the amendment’s impact on the agency’s evaluation scheme—the agency proceeded with receipt of final proposals on February 14. Protest, exh. 21, GSA Request for FPRs; Protest, exh. 22, Briar Meads FPR. Although Briar Meads also submitted a revised proposal on December 16, along with its agency-level protest, Briar Meads did not provide a signed acknowledgment of amendment 4 as required by the solicitation on that date. RLP, amend. 0004 at 4 (“All respondents to this RLP shall acknowledge receipt of this Amendment by signing in the space provided below. The acknowledged copy must be received by 12/16/2021 along with the Revised Offer.”); Protest, exh. 17, Briar Meads Dec. 16, 2021 Revised Proposal. Instead, the protester requested resolution of the issues in its protest prior to the date “final proposals are to be submitted.” Protest, exh. 18, Dec. 16 Letter at 4.

The record also shows that negotiations between the parties continued, and that, on February 1, the agency notified Briar Meads that February 14 was the date for termination for negotiations and also the due date for FPRs. Protest, exh. 21, GSA Request for FPRs at 1. In addition, the record reflects that the agency’s request for FPRs required that Briar Meads specifically acknowledge amendment 4, and that Briar Meads submitted a FPR on February 14. Id. GSA’s action here in accepting final proposals revisions, without addressing this issue with the protester or revising the RLP, was undeniably prejudicial to the protester’s position and constituted adverse agency action.7 As Briar Meads received notice of adverse agency action on February 14, and

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7 As noted above, the agency argues that the protest is untimely because the protest was filed more than 10 days after February 14—the due date for final proposals—which the agency views as initial adverse agency action in response to the agency-level protest. As we explain, we agree that the protest is untimely when measured from this date. While not argued by the parties, we note that the December 16 due date for revised proposals could arguably be viewed as initial adverse agency action, see, e.g., Consolidated Indus. Skills Corp., B-231669.2, July 15, 1988, 88-2 CPD ¶ 58 at 1-2 (closing occurring one day following filing of agency-level protest constitutes initial adverse agency action). Although we need not resolve the question because the
did not file this aspect of its protest with our Office until June 3, we dismiss this allegation as untimely. 4 C.F.R. § 21.2(a)(3).

Discussions

The protester argues that the agency failed to conduct meaningful discussions. The protester asserts that in GSA’s request for final proposal revisions, the agency advised Briar Meads to “sharpen its pencil” without providing any other “substantive feedback.” Protest at 12. In the protester’s view, the agency should have provided Briar Meads with additional feedback regarding its renovation plans and other cost sensitive aspects of its proposal. Without this information, the protester asserts that the agency’s “generic” invitation to reduce its price was “useless.” Id.

It is a fundamental principle of negotiated procurements that discussions, when conducted, must be meaningful; that is, the discussions must be sufficiently detailed and identify deficiencies or significant weaknesses found in an offeror’s proposal that could reasonably be addressed so as to materially enhance the offeror’s potential for receiving award. FAR 15.306(d)(3). It is also well-settled that, while an agency’s discussions must be meaningful, an agency need only lead an offeror into the deficient areas of its proposal to satisfy the requirement. See, e.g., Hanford Envtl. Health Found., B-292858.2, B-292858.5, Apr. 7, 2004, 2004 CPD ¶ 164 at 8. In addition, our Bid Protest Regulations require that a protest include a detailed statement of the legal and factual grounds for the protest, and that the grounds stated be legally sufficient. 4 C.F.R. §§ 21.1(c)(4), (f). These requirements contemplate that protesters will provide, at a minimum, either allegations or evidence sufficient, if uncontradicted, to establish the likelihood that the protester will prevail in its claim of improper agency action. Midwest Tube Fabricators, Inc., B-407166, B-407167, Nov. 20, 2012, 2012 CPD ¶ 324 at 3.

Here, although Briar Meads points generally to its renovation plans as an area where the agency should have provided additional feedback in order to have engaged in meaningful discussions regarding the protester’s proposed price, the protest fails to identify any specific evaluated weaknesses or deficiencies concerning the protester’s renovation plans that were required to be the topic of discussions. See Protest at 12.

protest would also be untimely if initial adverse agency occurred on December 16, February 14 would seem to be the pertinent date under the specific circumstances here. When the protester filed its agency-level protest on December 16, it requested resolution of its issues prior to the submission of final proposals. Thereafter, the agency indeed continued negotiations with the protester, although on issues unrelated to amendment 4, until it notified Briar Meads of the negotiations termination date and requested FPRs. At that point, the agency specified that Briar Meads must submit a signed acknowledgement of amendment 4 with its FPR. Thus, it appears that the agency did not completely foreclose the possibility of addressing the protester’s concern regarding amendment 4 or revising the RLP until it proceeded with receipt of FPRs on February 14. Again, because the protest would be untimely regardless of which date is viewed as initial adverse agency action, we need not decide the matter.
Further, GSA’s letter requesting final proposals, cited by the protester, invited Briar Meads to reduce its price as follows: “The Government encourages ownership to sharpen its pencil and offer its most competitive shell rate[,] [l]owering rates will result in a more competitive present value.” Protest, exh. 21, Agency Request for FPRs at 2. Thus, while the protester maintains that the agency failed to engage in meaningful discussions, Briar Meads’s own protest submissions demonstrate that the agency led Briar Meads into the area of its proposal that could be improved. The protester has failed to allege facts to support an allegation that GSA’s discussions were not meaningful or were otherwise improper. Accordingly, we dismiss this protest allegation for failing to state a valid basis for protest. 4 C.F.R. §§ 21.1(c)(4), (f).

Challenges to Awardee’s Evaluation

The protester also challenges GSA’s present value price evaluation of the awardee’s proposal. Because, however, as discussed above, the protester did not timely challenge the terms of the RLP or the solicitation’s evaluation methodology, and there were [DELETED] acceptable proposals in the competition other than the awardee that were lower in price than Briar Meads’s proposal, Briar Meads would not be next in line for award even if we were to sustain Briar Meads’s challenge to the agency’s evaluation of the awardee’s proposal. Thus, Briar Meads is not an interested party to raise this argument. 4 C.F.R. § 21.0(a); see CACI Dynamic Sys., Inc., B-406130, Feb. 28, 2012, 2012 CPD ¶ 77 at 8 (a protester is not an interested party to challenge the evaluation of the awardee’s proposal where it would not be in line for award were its protest sustained).

The protest is dismissed.

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