

U.S. GOVERNMENT ACCOUNTABILITY OFFICE

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Comptroller General of the United States

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Matter of: MVM, Inc.

Decision

File: B-421788.3; B-421788.4

Date: March 5, 2024

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J. Hunter Bennett, Esq., Jason A. Carey, Esq., Andrew R. Guy, Esq., and, Jennifer K. Bentley, Esq., Covington & Burling LLP, for Acuity International, LLC, the intervenor. Michael C. Evans, Esq., General Services Administration, for the agency. Christopher Alwood, Esq., and Evan D. Wesser, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest challenging the agency's evaluation of the awardee's proposed key personnel is sustained where the record shows that the agency's determination that a proposed key person's resume met the solicitation's minimum qualifications was unreasonable or otherwise inadequately undocumented.

2. Protest challenging the agency's affirmative determination of responsibility for the awardee is sustained where the contracting officer failed to reasonably consider information that would be expected to have a strong bearing on whether the awardee should be found responsible.

DECISION

MVM, Inc., of Ashburn, Virginia, protests the award of a contract to Acuity International, LLC of Reston, Virginia, under request for proposals (RFP) No. 47QMCH23R0001, issued by the General Services Administration (GSA) for transportation services for unaccompanied children in the custody of the Department of Health and Human Services. The protester challenges various aspects of the agency's evaluation of proposals and source selection decision, including the agency's evaluation of key personnel and the sufficiency of the agency's affirmative responsibility determination.

We sustain the protest.

BACKGROUND

On November 22, 2022, GSA issued the solicitation under the commercial item procedures of Federal Acquisition Regulation (FAR) part 12, using the negotiated procurement policies and procedures established under FAR part 15, seeking proposals for a national transportation services contractor to coordinate travel arrangements for and escort traveling unaccompanied children in the custody of the Department of Health and Human Services. Contracting Officer's Statement (COS) at 1; Agency Report (AR), Exh. 2, RFP at 1, 38.¹ The solicitation contemplated the award of a contract for a 1-year base period and four 1-year option periods. RFP at 2-5. The RFP established that award would be made on a best-value tradeoff basis, considering four factors: technical capability; management; past performance; and price. *Id.* at 11. The RFP stated that the non-price factors, when combined, were approximately equal in importance to price. *Id.* at 11.

Relevant here, the RFP required offerors to propose two key personnel, a lead project director and an alternate lead project director. RFP at 71-72. The RFP specified that the lead project director will be responsible for, among other responsibilities, overseeing all aspects of the project, coordinating resources, assuring quality control processes are in place, and ensuring conformance with task schedules. *Id.* at 71. The RFP further specified that the alternate lead project director will assume the duties of the lead project director in that person's absence. *Id.* The RFP set forth education and experience requirements applicable to both key personnel, including a requirement that the key personnel possess "five years of progressive project management experience on projects demonstrating advanced levels of financial and managerial responsibilities."² *Id.*

The agency was to evaluate proposals under the management factor considering the offeror's hiring process, staffing plan for rural areas, training program for contractor employees, and proposed key personnel. *Id.* at 85. The RFP provided that the agency would assign each management proposal an adjectival rating of 3 - high, 2 - mid, or 1 - low. *Id.* at 85-87; AR, Exh. 6, RFP amend. 0003 at 2-3. The RFP explained that the agency would evaluate proposed key personnel resumes "to ensure that individuals hold the appropriate credentials and have sufficient experience to oversee the project." RFP at 85. In order to be rated a 3 - high under the management factor, the evaluators

¹ The agency amended the solicitation three times. COS at 1. Unless otherwise noted, citations to the RFP in this decision are to the unamended sections of the initial RFP.

² Unlike the above financial and managerial experience requirement, which was stated conjunctively using "and," another experience requirement used the presumptively disjunctive "and or." *See* AR, Exh. 2, RFP at 72 (requiring "[s]ignificant experience in local, regional, or state transportation planning and policy, urban planning, intergovernmental agency outreach *and or* closely related planning program area") (emphasis added).

"must be able to identify that [the key person's] experience and credentials are sufficient without requiring any additional information from the offeror."³ *Id*.

On or before the February 21, 2023 closing date for receipt of proposals, the agency received proposals from 9 offerors, including Acuity and MVM. COS at 3. After evaluating the proposals, the agency awarded a contract to Acuity in the amount of \$895,839,798.00. *Id.* at 5. On July 5, 2023, MVM filed a protest with our Office challenging various aspects of the agency's evaluation of proposals and award decision. *MVM, Inc.*, B-421788, Sep. 29, 2023 (unpublished decision). Notably, in its July 5 protest, MVM argued that the agency's responsibility determination was unreasonable in part based on its failure to consider information that, by its nature, would be expected to have a strong bearing on whether Acuity is responsible. Protest, B-421788, July 5, 2023 at 25-26. As part of this July 5 protest, MVM argued that the agency had failed to properly consider a recent settlement between Comprehensive Health Services LLC (CHS), an affiliate of Acuity, and the United States Department of Justice (DOJ) to resolve allegations that Acuity's affiliate had violated the Civil False Claims Act, 31 U.S.C. §§ 3729-3733, and an ongoing class action lawsuit against CHS for allegedly failing to secure personally identifiable information.⁴ *Id*.

On September 21, after a thorough review of the record, the GAO attorney assigned to the protest conducted a conference call with the parties to provide outcome prediction alternative dispute resolution. During the call, the GAO attorney notified the parties that it appeared several aspects of the agency's evaluation of the awardee's past performance were either unreasonable or inadequately documented, and that the agency's resulting best-value tradeoff was flawed. Thereafter, the agency notified our Office that it intended to take corrective action by, at a minimum, conducting a new past performance evaluation and making a new source selection decision. We subsequently dismissed MVM's protest as academic based on the agency's proposed corrective action. *MVM, Inc.*, B-421788, *supra*.

³ In order for a proposal to be rated a 2 – mid under the management factor for key personnel, the evaluators had to "be able to identify that either experience or credentials are sufficient, but will require additional information from the offeror to fully qualify the key personnel." RFP at 86.

⁴ While not relevant to the resolution of the protest, the protester explains that CHS changed its name to Acuity-CHS, LLC in August of 2023. Protest at 36, n.1. The parties do not dispute that Acuity-CHS, LLC is an affiliate of Acuity.

Following the agency's corrective action, the agency evaluated the protester's and intervenor's proposals as follows:

	MVM	Acuity
Technical Capability	3 - High	3 - High
Management	3 - High	3 - High
Past Performance	3 - High	2 - Neutral
Price	\$2,305,586,688	\$895,839,798

AR, Exh. 37, Source Selection Evaluation Board (SSEB) Report at 1; AR, Exh. 38, Source Selection Decision (SSD) at 9.

The source selection authority (SSA) reviewed the SSEB report and conducted a comparative assessment of proposals. AR, Exh. 38, SSD at 9-16. The SSA considered the relative strengths identified in MVM's and Acuity's proposals under the technical capability and management factors and concluded neither offeror's strengths represented "an overall better technical solution worth paying higher premiums for." *Id.* at 16. The SSA concluded that MVM's superior past performance compared to Acuity did not justify a 157 percent, or \$1,550,721,579, price premium and accordingly found that Acuity's proposal represented the best value to the government. *Id.* at 14, 16.

On November 16, the agency notified MVM it had not been selected for award. COS at 9; AR, Exh. 39, MVM Notice of Award and Debriefing. The agency provided MVM a debriefing that concluded on November 30, and this protest followed. COS at 9.

DISCUSSION

MVM contends that the agency unreasonably evaluated the qualifications of Acuity's proposed lead project director key person. In addition, the protester challenges the sufficiency of the agency's responsibility determination.⁵ For the reasons discussed below, we sustain the protest.⁶

Key Personnel

MVM challenges the agency's evaluation of Acuity's proposed lead project director, one of the solicitation's key personnel positions. Comments & Supp. Protest at 6-8; Supp. Comments at 8-11. Specifically, the protester alleges that Acuity's proposal does not demonstrate compliance with the RFP's requirement that the lead project director have 5 years of management experience with advanced levels of financial responsibility. Supp. Comments at 10.

The agency responds that its evaluation of Acuity's proposed lead project director's qualifications was reasonable. Supp. COS at 1-2; Supp. MOL at 2-6. The agency argues that Acuity's proposal evidenced that the proposed lead project director "clearly met all requirements of the solicitation" and that the agency evaluators documented their consideration of those qualifications in the contemporaneous record. Supp. COS

⁶ The agency requests that we dismiss the protest, arguing that MVM is not an interested party because MVM would not be in line for award even if its protest was sustained. Memorandum of Law (MOL) at 12-13. In order for a protest to be considered by our Office, a protester must be an interested party, which means that it must have a direct economic interest in the resolution of a protest issue. 4 C.F.R. § 21.0(a). A protester is an interested party to challenge the evaluation of an awardee's proposal or the agency's responsibility determination where there is a reasonable possibility that its proposal would be in line for award if the protest were sustained. *See Systems Made Simple, Inc.*, B-412948.2, July 20, 2016, 2016 CPD ¶ 207 at 4.

Here, the agency's assertion that MVM was not second in line for award is premised on a post-protest tradeoff conducted between MVM's and a third offeror's proposals; it stands to reason that this latter tradeoff was not part of the contemporaneous award determination. See AR, Exh. 38, SSD at 10, 13-16. In this regard, we give little weight to revised or *post hoc* evaluations made during the heat of litigation. Systems Made Simple, Inc., supra (declining to dismiss a protest where the agency's argument that the protester was not interested was based on the agency's *post hoc* tradeoff analysis). In the absence of any contemporaneous analysis supporting that MVM would not be next in line for award, we find that MVM is an interested party to challenge the award to Acuity.

⁵ This decision does not address all of MVM's arguments challenging additional aspects of the agency's evaluation, award decision, and affirmative responsibility determination. However, we have considered each of MVM's allegations and, except for those discussed in this decision, find none provide a basis on which to sustain the protest.

at 1. With regard to the requirement to possess 5 years of management experience with advanced levels of financial responsibility, the agency points to the proposed lead project director's work history as a director for an Indian Tribe wellness center and as an interim director for a county public health and social services department to demonstrate that the individual met the RFP's requirements. Supp. MOL at 6.

In reviewing protests of an agency's evaluation and source selection decision, our Office will not reevaluate proposals; rather, we review the record to determine whether the evaluation and source selection decision are reasonable and consistent with the solicitation's evaluation criteria, and applicable procurement laws and regulations. *TekSynap Corp.*, B-419464, B-419464.2, Mar. 19, 2021, 2021 CPD ¶ 130 at 6. 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 criteria and applicable procurement statutes and regulations, undocumented, or not reasonably based. *Id*.

As noted above, the RFP required offerors to demonstrate that their proposed key personnel "hold the appropriate credentials and have sufficient experience to oversee the project." RFP at 85. The RFP specified that the lead project director must have "[5] years of progressive project management experience on projects demonstrating advanced levels of financial and managerial responsibilities." *Id.* at 71. Here, we find that the evaluation record does not contain sufficient information to establish that the agency reasonably credited Acuity's proposal for meeting the applicable key personnel experience requirement.

As stated, the agency argues the lead project director meets all the requirements of the RFP. We disagree. The agency's contemporaneous evaluation does not adequately explain what aspects of Acuity's proposal it found to meet the RFP's key personnel requirements. The record contains four worksheets documenting the evaluators' individual consideration of Acuity's proposed key personnel. All four worksheets contain an identical statement that the evaluator has "[n]o doubt that this offeror's key personnel hold the appropriate credentials and have sufficient experience to oversee the project" in accordance with the RFP. AR, Exh. 51, Key Personnel Evaluation at 20 at 34, 42, 50, 58.⁷ The worksheets then contain instructions for the evaluators to justify and support their evaluation "with specific language and references from the offeror's proposal."⁸ See Id. at 50. Despite these instructions, none of the evaluators discussed

⁷ The agency report exhibit containing Acuity's key personnel resumes and the agency's evaluation of key personnel does not contain a uniform set of page numbers. *See* AR, Exh. 51, Key Personnel Evaluation. Accordingly, citations to this document refer to the electronic page number of the Adobe PDF document provided by the agency.

⁸ The instructions explicitly caution the evaluators not to simply write that they have no doubts that the offeror's key personnel meet all stated requirements, but to explain why. *See Id.* at 50.

their consideration of the proposed key personnel's management experience demonstrating advanced financial responsibility.⁹ *Id*. at 34, 42, 50, 58.

There is also no evidence in the subsequent evaluation documents that the agency otherwise examined Acuity's proposed lead project director's management experience with advanced financial responsibility. The summary table for the management factor evaluation states that all evaluators rated Acuity 3 – high and only discusses the proposed lead project director's demonstrated experience with transportation and intergovernmental agency outreach.¹⁰ *Id* at 59. Further, nothing in the SSEB Report or SSD discusses the evaluation of key personnel--much less the agency's consideration of individual key personnel experience requirements--with any specificity.¹¹ *See* AR, Exh. 37, SSEB Report; AR, Exh. 38, SSD.

Further, we note that the lead project director's resume does not clearly evidence 5 years of project management experience on projects demonstrating advanced levels of financial responsibilities. The agency argues that two positions from the resume demonstrate management experience with financial responsibilities. AR, Exh. 51, Key Personnel Evaluation at 20. However, our review of the record indicates that the proposed key person only held those positions for a combined period of 26 months, well

⁹ One worksheet references only the master's degrees held by the proposed key personnel and non-specific experience in transportation without further explanation. *Id.* at 58. Another worksheet includes a justification which states, in its entirety, "Personnel presented meet the standard of the [Performance Work Statement] as resumes presented in this proposal." *Id.* at 42. A third worksheet contains no justification at all. *Id.* at 50. The last worksheet states that Acuity's proposed key personnel "meet all stated requirements" because "[Acuity] indicate[s] that [Acuity] will meet the minimum requirements" that are described by the RFP. *Id.* at 34.

¹⁰ Notably, this summary table reveals that an evaluator had originally rated Acuity as 2 – mid under the management factor but does not explain why. AR, Exh. 51, Key Personnel Evaluation at 59. The document states that the SSEB chair reviewed the instructions with the evaluator and noted the described experience with transportation and intergovernmental agency outreach. *Id*. As a result, the evaluator submitted a "corrected worksheet." *Id*. The agency did not include the initial worksheet in the record.

¹¹ The agency also never meaningfully provides a reasonable post-protest explanation for why Acuity's proposed lead project director met this solicitation requirement. Notably, the supplemental COS specifically claims, without support, that the proposed alternate lead project director possesses more than the required 5 years of "management experience with financial and managerial responsibilities" but does not make a similar statement regarding the proposed lead project director. Supp. COS at 2. As discussed herein, the supplemental MOL does identify more than 2 years of management experience with advanced levels of financial responsibilities in the proposed lead project director's resume but does not explain how this meets the solicitation's 5-year experience requirement. Supp. MOL at 6. short of the 5 years required by the RFP. *Id*. While the proposed lead project director's resume demonstrates other management experience, it is not clear from any of the position descriptions that these roles included advanced levels of financial responsibility. *Id*. at 19-21.

In short, Acuity's proposal does not clearly meet the solicitation's requirement that the proposed lead project director have 5 years of management experience demonstrating advanced financial responsibility, and the agency's evaluation record does not meaningfully explain how the agency concluded otherwise. Accordingly, we find that the agency has failed to demonstrate that its evaluation of Acuity's proposed lead project director was reasonable.

Responsibility Determination

MVM also contends that GSA unreasonably concluded that Acuity was a responsible offeror because the contracting officer failed to consider available relevant information regarding a False Claims Act settlement between Acuity's affiliate CHS and DOJ that was announced in 2022.¹² Protest at 34-37; Comments & Supp. Protest at 13-17. The protester cites to a press release which states that CHS agreed to pay \$930,000 to resolve allegations that it falsely represented to the Department of State and the Air Force that it had complied with contract requirements relating to the provision of medical services at facilities in Iraq and Afghanistan. Protest at 36; Protest Exh. 10, DOJ Public Statement, March 8, 2022. As addressed above, this False Claims Act settlement, as well as a class action lawsuit involving Acuity's affiliate, were previously raised in MVM's protest challenging the initial award to Acuity. *See* Protest, B-421788, July 5, 2023 at 3, 25-26.

The FAR provides that a contract may not be awarded unless the contracting officer makes an affirmative determination of responsibility. FAR 9.103(b). Among the general standards to be considered, a prospective contractor must have a satisfactory performance record and a satisfactory record of integrity and business ethics. FAR 9.104-1(c) and (d). The FAR also provides that "the contracting officer shall

¹² MVM also contends for the first time in the instant protest that the agency unreasonably failed to consider a separate \$3,818,881 False Claims Act settlement between CHS and DOJ from 2017. Protest at 36 (*citing* Protest, Exh. 11, DOJ Public Statement, February 8, 2017). Our Bid Protest Regulations require protests to be filed no later than 10 days of when a protester knows, or reasonably should have known, of a basis for protest, with the exception of protests challenging a procurement "under which a debriefing is requested and, when requested, is required." 4 C.F.R. § 21.2(a)(2). Where the protester receives a required debriefing, any protest allegations must be filed within 10 days of the conclusion of such debriefing. *Id*. Despite the relevant information relied upon by the protester being publicly available at the conclusion of MVM's initial debriefing on June 30, 2023, MVM did not file a protest based on this 2017 False Claims Act settlement until December 5, more than 5 months later. We therefore dismiss this contention as untimely.

consider" an affiliated concern's integrity when it "may adversely affect the prospective contractor's responsibility. FAR 9.104-3(c)(1).

Our Office generally will not consider a protest challenging an agency's affirmative determination of an offeror's responsibility. 4 C.F.R. § 21.5(c). We will, however, review a challenge to an agency's affirmative responsibility determination where the protester presents specific evidence that the contracting officer may have ignored information that, by its nature, would be expected to have a strong bearing on whether the awardee should be found responsible. *Id.*; *see Southwestern Bell Telephone Co.*, B-292476, Oct. 1, 2003, 2003 CPD ¶ 177 at 8 (sustaining protest of an affirmative determination of responsibility where the contracting officer had general knowledge through various media outlets of allegations of misconduct by the awardee's parent company but failed to obtain and consider sufficient information about the allegations).

As noted above, MVM previously challenged the sufficiency of the contracting officer's responsibility determination based, in part, on the contracting officer's alleged failure to consider CHS's 2022 False Claims Act settlement. Protest, B-421788, July 5, 2023 at 25; Comments, B-421788, Aug. 14, 2023 at 26-28. However, nothing in the initial protest record demonstrated that the contracting officer was aware of CHS's 2022 False Claims Act settlement at the time the contracting officer made the initial responsibility determination. Accordingly, our Office did not conclude that the contracting officer had ignored information that would be expected to have a strong bearing on whether the awardee should be found responsible for the initial award decision. *See Fidelis Logistic & Supply Servs.*, B-414445, B-414445.2, May 17, 2017, 2017 CPD ¶ 150 at 5 (denying challenge to responsibility determination based on allegations of the awardee's tax evasion, corruption, and document falsification where the contracting officer was not aware of the allegations and therefore did not ignore them in making their responsibility determination).

Contrary to the initial responsibility determination, however, the contracting officer was made aware of--or should have been aware of--CHS's 2022 False Claims Act settlement as a result of MVM's July 5, 2023, protest at the time it made its updated responsibility determination at issue here.¹³ Protest, B-421788, July 5, 2023 at 25. Despite this, the record does not demonstrate that the agency gave any consideration to CHS's 2022 False Claims Act settlement in making its updated responsibility determination. AR, Exh. 38, SSD at 12. The record shows that the agency did update the responsibility determination to address the class action lawsuit pending against Acuity-CHS, LLC that was raised by MVM in both the initial and current protest. *Id.* at 12. The agency concluded that the class action did not adversely affect Acuity's responsibility, in part, because the suit "includes no allegation of fraud . . . and therefore

¹³ The record is not clear whether the contracting officer or the SSA made the responsibility determination. Regardless, the record demonstrates that the contracting officer and the SSA remained the same for both the initial and current responsibility determinations and award decision. COS at 1; *compare* AR, Exh. 38, SSD at 16, *with* B-421788, AR, Exh. 14, SSD at 11.

has no impact on this responsibility determination." *Id*. The agency does not explain, however, why it thought it necessary to update the responsibility determination to include specific consideration of a lawsuit that "includes no allegation of fraud" and had "no impact on th[e] responsibility determination" but not document its consideration of a known False Claims Act settlement based on allegations of fraud.

In addition to the absence of any evidence in the contemporaneous record that the contracting officer considered the False Claims Act settlement, the contracting officer again declined to address CHS's 2022 False Claims Act settlement in responding to the instant protest. See COS at 7-8 (discussing several other aspects of the responsibility determination). The only place the agency engages with CHS's False Claims Act settlement is in its memorandum of law, noting that the settlement resolved allegations only and there was no determination of liability. MOL at 19. The agency's limited argument in the legal memorandum does not contend that the contracting officer ever considered such information in the context of the responsibility determination--either before or after award, but rather only argues in a conclusory fashion that the "settlements identified by MVM would not change the determination that Acuity is responsible." *Id.* (emphasis added).

In the absence of any consideration by the contracting officer as to whether known allegations of fraud against an affiliate affected the awardee's responsibility, we conclude that the contracting officer failed to reasonably consider information that was known or reasonably should have been known that, by its nature, would be expected to have a strong bearing on whether the awardee should be found responsible.¹⁴ As a result, we find the contracting officer's determination of responsibility to be unreasonable. *See Southwestern Bell Telephone Co., supra.* Therefore, we sustain the protest on this basis.

Prejudice

Our Office will not sustain a protest unless the protester demonstrates a reasonable possibility that it was competitively prejudiced by the agency's actions; that is, unless the protester demonstrates that, but for the agency's actions, it would have had a substantial chance of receiving the award. *Raytheon Co.*, B-409651, B-409651.2, July 9, 2014, 2014 CPD ¶ 207 at 17. We resolve any doubts regarding prejudice in

¹⁴ To be clear, our decisions do not preclude affirmative determinations of responsibility of awardees who have entered into False Claims Act settlements where the record reflects the agency's reasoned consideration of such issues as part of its overall responsibility determination. *See, e.g., Total Home Health*, B-417283, B-417283.2, Apr. 26, 2019, 2019 CPD ¶ 166 at 7 (denying protest that the agency unreasonably concluded the awardee was responsible based on a False Claims Act settlement involving the awardee where the record showed that the contracting officer had considered the settlement information cited by the protester); *DynCorp Int'l LLC*, B-411465, B-411465.2, Aug. 4, 2015, 2015 CPD ¶ 228 at 17-20 (same).

favor of a protester. *Intelsat Gen. Corp.*, B-412097, B-412097.2, Dec. 23, 2015, 2016 CPD ¶ 30 at 19-20.

Here, had GSA properly evaluated whether Acuity's proposed lead project director met the solicitation's requirements it may have considered Acuity's proposal to not meet a material solicitation requirement, or, at a minimum, have considered Acuity's proposal to be less advantageous under the management factor.¹⁵ Further, had the agency properly considered the relevant information known to it during its responsibility determination, it could have found Acuity to be not responsible and therefore ineligible for award. Accordingly, we find that there is a reasonable possibility that MVM was competitively prejudiced by the agency's actions here, and on this basis, we sustain the protest.

RECOMMENDATION

We recommend that the agency reevaluate proposals under the management factor in a manner consistent with the terms of the solicitation and this decision and make a new award decision or, alternatively, reopen discussions and request revised proposals before reevaluating. We also recommend that the agency make and adequately document a responsibility determination as part of the new award decision. We also recommend that the protester be reimbursed the reasonable costs of filing and pursuing the protest, including attorneys' fees. 4 C.F.R. § 21.8(d)(1). The protester's certified claim for costs, detailing the time spent and costs incurred, must be submitted to the agency within 60 days of receiving this decision.

The protest is sustained.

Edda Emmanuelli Perez General Counsel

¹⁵ As noted above, the RFP provided that a proposal could be rated a 2 – mid under the management factor for key personnel if an evaluator is "able to identify that either experience or credentials are sufficient, but will require additional information from the offeror to fully qualify the key personnel." RFP at 86.