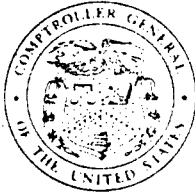


DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

61360
98665

FILE: B-185791

DATE: August 18, 1976

MATTER OF: Lamar Electro-Air Corporation

DIGEST:

1. GAO finds no basis to object to award to highest technically rated offeror, though highest in price, where RFP evaluation criteria advised offerors that price was of secondary consideration. Review of evaluation report shows offerors were evaluated on equal basis and protester's allegation that evaluation of its experience was arbitrary is found to be without merit.
2. Protest by small business offeror that it did not receive adequate consideration as small business is denied as there is no requirement for submission to Small Business Administration for certificate of competency consideration since review of firm's experience under negotiated procurement is for technical evaluation of proposal and not for responsibility determination.

Lamar Electro-Air Corporation (Lamar) protests the award of a contract to Teledyne Neosho (Teledyne) by the United States Air Force under request for proposals (RFP) No. F41608-76-R-6501 for the overhaul and repair of the J-69 series jet engines.

Lamar's initial basis of protest is that adequate consideration was not given to its small business status in evaluating its capabilities to perform the contract. Lamar's position is that the Air Force invited the participation of small businesses in the procurement but never intended to award the contract to other than a large business. Further, Lamar contends that the evaluation factors were applied arbitrarily by the Source Selection Evaluation Board (SSEB), primarily as regards the evaluation factor relating to experience.

The following three proposals were received in response to the RFP and contained the noted prices:

Teledyne Neosho	\$3,503,473
United Technologies Corp. (Hamilton Standard Division)	3,251,997
Lamar	2,020,692

The RFP contained the following statement with regard to evaluation of proposals:

"D-5. GENERAL INFORMATION AND SELECTION CRITERIA

"a. Award of the Contract resulting from this solicitation shall be under the Source-Selection Procedures as set forth in Air Force Regulation 70-15, Air Force Manual 70-6, and AFLC Supplements thereto. Proposals submitted in response to this solicitation shall be evaluated by a board of qualified Government personnel. Appropriate weights will be assigned to the six areas of consideration set forth below in descending order of importance, and the decision of the Air Force regarding assignment of weights shall be final:

- (1) Experience
- (2) Facilities and Equipment
- (3) Management Capabilities
- (4) Quality Control
- (5) Production Plan
- (6) Safety

Following an in-depth analysis and evaluation of the six areas of consideration shown above, as well as an integrated assessment of the prices quoted for the services to be performed, award shall be made to that contractor whose proposal is determined to be the most advantageous to the Government, price and other factors considered. The application of the foregoing Source-Selection Procedures to the areas of consideration identified above permits placing technical consideration above cost factors which could result in an award to other than the low offeror."

Under the experience criteria, the RFP required the submission of the following information which was to be evaluated:

"Part I. Submit written evidence of experience over the past 10 years in the overhaul of aircraft engines and related accessories and non-aircraft engines and related accessories. * * *

Part II. Submit a written summary of experience with all other Government contracts awarded and/or completed within the past year, including approximate dollar value, overall performance record (i.e, whether completed on time or completed late) and percent of delinquency during the period covered. Brief reasons why deliveries were not met, if applicable, should also be included. Information submitted should be discussed with your Government contract administration office to reconcile any disparity between your experience data and data maintained by that office, especially within the past year."

The SSEB evaluated the proposals and ranked Teledyne highest followed by Hamilton Standard and Lamar. Following a review of the SSEB's evaluation report, the Source Selection Authority determined that award to Teledyne was most advantageous to the Government and on January 23, 1976, award was made to Teledyne.

Lamar contends that an impartial evaluation of its experience under part II of the above-quoted experience criteria would have given Lamar the highest score of the three competitors in this area due to its excellent past performance of Government contracts. Lamar argues that the experience criterion was applied arbitrarily in that the past performance of other Government contracts was not properly evaluated and that past experience in overhaul of aircraft engines, primarily jet engines, was the sole criterion in awarding the contract. Lamar concedes that it does not possess experience in the overhaul of aircraft engines, but that its excellent performance record with the overhaul of aircraft accessories and components such as the B-52 and B-66 constant speed drive and the B-52 hydraulic turbopack should have qualified it under the experience criterion. When this rating is considered with its low price and small business status, Lamar states the Air Force should have awarded Lamar the contract.

Under Air Force Regulation 70-15, June 22, 1973, "Source Selection Policy," Lamar was not permitted to review the SSEB evaluation report because of its status as a source selection document under paragraph 9 of the regulation. However, a copy of the

entire report and recommendations has been furnished our Office by the Air Force and has been fully considered in reaching our decision on the protest.

We have thoroughly reviewed the evaluation report with the scoring of the technical proposals and find the evaluation to have been conducted in a fair and reasonable manner.

As Lamar concedes, it had no experience in the overhaul of aircraft engines and the SSEB gave Lamar no points under this portion of the experience criteria. However, Lamar's past satisfactory performance of accessory and component overhaul contracts was considered and Lamar was awarded the maximum number of points to which it was entitled in this category. Therefore, we cannot say that the experience criteria was applied arbitrarily to the detriment of Lamar.

Regarding the contention that Lamar's lower price and small business status were not given the consideration they deserved, we find the Air Force has properly justified the award to the higher priced offeror. The RFP advised offerors that price was of secondary consideration in relation to technical ability. The proposal of Lamar received less than 400 points out of a possible 1,000 points during the evaluation. The proposals of Teledyne and Hamilton Standard were rated 39 percent and 24 percent higher, respectively, than that of Lamar. Following a review of the SSEB's report, the Source Selection Authority determined that the technical superiority of the Teledyne proposal outweighed the cost differences and approved an award to Teledyne.

Our Office has held that whether a given point spread between two competing proposals indicates a significant superiority of one proposal over another depends upon the facts and circumstances of each procurement and is primarily within the discretion of the procuring agency. 52 Comp. Gen. 686, 690 (1973). In the present case where the Air Force in the RFP advised offerors that experience and other evaluation factors were of prime importance and an air flight safety item is involved, we cannot say the award action was improper.

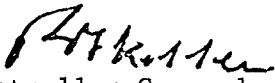
Concerning Lamar's allegations in connection with its small business status, we do not find that the procurement was handled improperly in this area. The procurement was open to both large and small businesses. While Lamar does not directly so state, its arguments appear to be grounded on the belief that when a small business is competing with a large business, the small business should be given some advantage during evaluation, because it is unrealistic to expect a small business to compete on an equal footing with large businesses.

B-185791

It has been a long standing principle of the competitive procurement system that all offerors must compete on an equal basis. Minjares Building Maintenance Company, B-184263, March 10, 1976, 76-1 CPD 168. Therefore, in an unrestricted procurement, such as here, it would have been improper to score a small business proposal differently from one submitted by a large business solely on the basis of size.

Finally, Lamar argues that it was never subjected to a preaward survey nor was the matter submitted to the Small Business Administration (SBA) for the possible issuance of a certificate of competency (COC). A preaward survey and the COC procedures only concern the responsibility of an offeror. While experience of an offeror does bear on his responsibility, we have held that all evaluation factors, whether relating to traditional concepts of responsibility or to technical approach, are used to make relative assessments of the merits of individual proposals. These relative assessments should not be considered responsibility findings which are made after proposal evaluation is completed. 52 Comp. Gen. 854 (1973). Therefore, as experience was not used here as a basis for a nonresponsibility determination, the matter was not for consideration by SBA under its COC procedures.

Accordingly, the protest is denied.


Deputy Comptroller General
of the United States