

Comptroller General of the United States

Washington, D.C. 20548

Decision

DOCUMENT FOR PUBLIC RELEASE

The decision issued on the date below was subject to a GAO Protective Order. This redacted version has been approved for public release.

Matter of: KBM Group, Inc.

File: B-281919; B-281919.2

Date: May 3, 1999

Alexander J. Brittin, Esq., Patrick K. O'Keefe, Esq., and Jeremy M. Griffin, Esq., McKenna & Cuneo, and John S. Pachter, Esq., Smith, Pachter, McWhorter & D'Ambrosio, for the protester.

Richard J. Vacura, Esq., Holly Emrick Svetz, Esq., and William J. Crowley, Esq., Piper & Marbury, and Rex L. Fuller III, Esq., for Milvets Systems Technology, Inc., an intervenor.

Duane Zezula, Esq., Bureau of Alcohol, Tobacco and Firearms, for the agency. Guy R. Pietrovito, Esq., and James A. Spangenberg, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

- 1. Agency did not mislead protester during discussions even though award was ultimately made based on price and agency did not inform protester that its price was higher than awardee's price, where agency did not believe that protester's price was too high.
- 2. Agency did not conduct unequal discussions with awardee and protester where agency conducted technical discussions with awardee, whose technical proposal was initially evaluated as containing a number of weaknesses, while conducting no technical discussions with protester, whose initial proposal was evaluated as containing no weaknesses.
- 3. Protest that protester is entitled to a higher adjectival rating than awardee based upon protester's specific incumbent experience and staff is denied where agency in fact reasonably assessed the relative merits of protester's and awardee's proposals, including protester's specific experience and staff.
- 4. Protest that source selection authority did not adequately consider the merits of protester's technical proposal is denied where source selection authority considered the relative merits of protester's and awardee's proposals and reasonably determined

that the proposals were essentially equal technically and that award should therefore be made to awardee based upon its substantially lower price.

DECISION

KBM Group, Inc. protests the award of a contract to Milvets Systems Technology, Inc. under request for proposals (RFP) No. BATF-97-15, issued as a competitive section 8(a) set-aside, by the Bureau of Alcohol, Tobacco & Firearms (BATF), Department of the Treasury, for services in support of the National Tracing Center. KBM challenges the agency's conduct of discussions, evaluation of proposals, and source selection decision.

We deny the protest.

The RFP, as amended, provided for the award of a fixed-price, labor-hour contract for services in support of the National Tracing Center for a base period with 4 option years. RFP amend. 4, §§ B, C.2, F.3. The National Tracing Center responds to requests of federal, state, local, and international law enforcement agencies for tracing of firearms used in crimes. RFP § C.1. Among other services, the contractor will perform data entry, convert firearm transaction documents to microfilm, index records, and develop, install and maintain various database and data entry systems on local area networks. RFP § C.2. Estimates of the kind and number of personnel and labor hours required to perform the contract services were provided. RFP §§ B.3, C.1. Offerors were also informed as follows:

The in-house estimate for these services is between \$40 and \$50 million for the term of the contract. You are advised to structure your proposal price accordingly.²

RFP amend. 4., Cover Page.

The RFP provided for award on the basis of a cost/technical tradeoff and identified the following technical evaluation factors: (1) general and project management, (2) corporate experience and past performance, and (3) transition plans. The general and project management factor contained the following subfactors: (a) corporate structure and lines of authority and the ability to provide backup resources sufficient to meet fluctuations in workload; (b) approach to staffing and managing a project of

Page 2 B-281919; B-281919.2

¹Records of various types of firearms transactions are maintained on microfilm and are indexed. During fiscal year 1998, the National Tracing Center responded to more than 180,000 requests.

²This estimate was based upon labor rates in the incumbent (KBM's) contract (a non-competitive section 8(a) award), escalated by 5 percent for the base and each of the 4 option years.

this magnitude; key personnel qualifications; (c) management availability and involvement in project oversight and problem resolution; and (d) approach to providing continuous process improvement. RFP § M.2.a. Offerors were informed that the general and project management factor and corporate experience and past performance factor were of equal importance and both of greater importance than the transition plans factor. Also, "[a]ll evaluation factors other than price, when combined, are significantly more important than price." RFP § M.1(c). The RFP also provided for a price realism analysis to assess the realism and relationship of proposed hourly rates to the total overall evaluated price. RFP § M.2.b.

Proposals were received from seven offerors, including KBM, the incumbent contractor, and Milvets. The proposals were evaluated by the agency's technical evaluation panel (TEP) and source selection evaluation board (SSEB). The SSEB noted that the offers were all less than the independent government estimate (IGE) of S45 million and concluded that:

The difference between the [IGE] and the prices offered is that the labor rates for the labor categories dropped dramatically as a result of this competitive solicitation and the majority of the offerors did not adjust their labor rates for inflation between the base and option year periods.

Agency Report, Tab E3(e), Initial SSEB Report at 1.

Four proposals, including KBM's and Milvets's, rated as follows, were determined to be in the competitive range:

Offeror	Technical Rating	Price
KBM	Acceptable	\$38.5 million
Milvets	Marginal	\$32.5 million
Offeror A	Marginal	\$30.5 million
Offeror B	Marginal	\$42.4 million

Id. at 1, 6.

KBM's proposal was found to contain no deficiencies or weaknesses and to offer a number of strengths under each of the evaluation factors. Agency Report, Tab E3(d), TEP Initial Evaluation Report attach. at 14th-15th unnumbered pages. For example, under the general and project management factor, the TEP noted, among other strengths, KBM's lines of authority, [DELETED], trained and experienced staff, and [DELETED]. Similarly, under the corporate experience and past performance factor, the TEP found that KBM was currently performing with [DELETED] people, had necessary skills and abilities, had practical and technical experience in all phases of the contract work, and required no learning curve. <u>Id.</u>

Page 3 B-281919; B-281919.2

With respect to Milvets's marginally rated proposal, the TEP noted both strengths and weaknesses. <u>Id.</u> at 7th-10th unnumbered pages. For example, under the general and project management factor, the TEP noted as strengths Milvets's corporate structure, lines of authority, and short chain of command from project director to president. The TEP also noted a number of proposal weaknesses, including Milvets's plan to use overtime to address fluctuations in workload, lack of comprehensive (as a group) supervisory experience (Milvets's project director's experience was identified as a proposal strength, however), lack of key personnel past experience, and failure to provide a specific plan to recruit and hire incumbent key personnel. Under the corporate and past experience factor, Milvets's proposal was found acceptable with a number of strengths, including experience with digital scanning, microfilm processing, bar coding, film duplication, storage and retrieval, quality control, workflow tracking, and data entry. <u>Id.</u> at 7th-8th unnumbered pages.

The offerors' price proposals were also evaluated. Agency Report, Tab E4, Price Analysis, June 23, 1998, Tab E8, Memorandum of Prenegotiation Objectives. With respect to KBM's price proposal, the BATF noted that KBM's rates for all labor categories were unchanged from the base year though the fourth option year. The agency was concerned with how this would affect employee turnover during contract performance. Agency Report, Tab E3(e), Initial SSEB Report at 3. The agency also noted that KBM's rates in 15 labor categories were higher than those of the IGE. Regarding Milvets's price proposal, the agency was also concerned with Milvets's ability to retain employees because, with the exception of Milvets's project director and assistant project director, Milvets's labor rates also remained unchanged for each option year. Agency Report, Tab E8, Memorandum of Prenegotiation Objectives at 4th unnumbered page.

Oral and written discussions were conducted with each competitive range offeror. Because no weaknesses or deficiencies were identified in KBM's initial technical proposal, discussions with KBM concerned only its price proposal. Specifically, KBM was asked about the lack of escalation of its labor rates over the contract term and how this would affect its employee turnover rate during contract performance. BATF also identified to KBM 15 labor categories where KBM's rates were higher than the IGE and comparable rates and stated for each of these labor category rates the percentage by which the rates were considered high. Agency Report, Tab E7(a), Letter from the Contract Specialist to KBM 1, attach. (Sept. 4, 1998); Protest, Jan. 22, 1999, attach. 3. Subsequent to the conduct of oral and written discussions, BATF's contract specialist called KBM and stated that only eight labor categories were considered high and that the other seven labor categories were considered "fair and reasonable." Agency Report, Tab E7(b), Memorandum from the Contract Specialist

Page 4 B-281919; B-281919.2

³The agency identified a number of other pricing concerns in Milvets's proposal, which were identified to the offeror during discussions.

to the Contract File (Sept. 8, 1998); Protester's Comments, attach. 1, Declaration of the President of KBM at 11-12; Agency Report at 25.

BATF conducted both technical and price discussions with Milvets. Specifically, BATF informed Milvets of its evaluated technical weaknesses, including the lack of comprehensive key personnel experience and a failure to provide a plan to recruit incumbent staff. BATF also expressed concern with Milvets's lack of escalation over the contract term for rates for all labor categories (other than its project director and assistant project director). BATF also discussed the rates of two of Milvets's labor categories, one of which BATF stated was too high and the other of which BATF stated was too low. Agency Report, Tab E6(a), Letter from the Contract Specialist to Milvets (Sept. 4, 1998).

Final proposal revisions were received and evaluated. KBM made no changes in its technical proposal in light of the agency's lack of technical discussions with the firm. KBM's technical rating continued to be assessed as acceptable, with a number of proposal strengths and no weaknesses or deficiencies. Agency Report, Tab E3(g), SSEB Final Evaluation Report at 4. KBM adjusted its cost proposal in response to the agency's cost discussions, by escalating its labor rates for the contract option years and downwardly adjusting the rates for the eight labor categories that BATF had indicated were too high. This resulted in a slight increase in KBM's proposed price to \$39.1 million. Agency Report, Tab E1(d), KBM's Final Proposal Revision.

Milvets made numerous changes in its technical proposal in response to each of the agency's identified concerns. Among other things, Milvets provided a plan to address workload fluctuations through the use of cross-trained employees, provided detailed key personnel resumes addressing the agency's concerns regarding experience and past performance, and provided a staff recruitment plan that included contacting incumbent staff as well as employment advertising. Agency Report, Tab E1(b), Milvets's Final Proposal Revision. BATF identified a number of strengths in Milvets's final proposal revision and no weaknesses or deficiencies, and Milvets's proposal evaluation rating improved from marginal to acceptable. Agency Report, Tab E3(g), SSEB Final Evaluation Report at 3-4. Milvets also revised its cost proposal to address the agency's cost discussions. Specifically, Milvets escalated its labor rates for the contract option years, adjusted its labor rates for the two labor categories identified by the agency during discussions, and reduced its fee percentage. This resulted in Milvets slightly increasing its proposal price to \$33 million. Agency Report, Tab E1(b), Milvets's Final Proposal Revision.

The SSEB prepared a detailed evaluation report that documented KBM's and Milvets's proposal strengths and the agency's price analysis of final proposals. The SSEB also prepared a best value analysis, weighing the relative merits of KBM's and Milvets's

Page 5 B-281919; B-281919.2

proposals. ⁴ The SSEB concluded that, although the two proposals offered different strengths, the firms' final proposals were essentially equal technically and recommended to the source selection authority (SSA) that award be made to Milvets, based upon that firm's substantially lower price. The SSEB also concluded that Milvets's price was fair and reasonable. ⁵ Agency Report, Tab E3(g), SSEB Final Evaluation Report at 7-8.

The SSA, in a detailed written decision, agreed with the SSEB that KBM's and Milvets's final proposals were essentially equal. Agency Report, Tab E10(a), Source Selection Decision at 3. Specifically, the SSA noted that each of the offerors presented acceptable approaches that indicated that there would be minimal risk in awarding a contract to either offeror. In comparing the offers, the SSA noted KBM's and Milvets's evaluated technical strengths:

The strengths in the KBM proposal are: (1) [DELETED]; (2) [DELETED]; (3) [DELETED]; (4) incumbent staff are trained and experienced; (5) [DELETED]; (6) practical and technical experience in all phases of the requirement; and (7) currently managing [DELETED] people for the same or similar work under current contract. The strengths in the Milvets proposal are: (1) short line of command from the project director to the company president; (2) lines of authority strongly address micrographic projects; (3) use of cross-trained employees to meet fluctuating workloads; (4) extensive and relevant micrographic experience in high volume settings; (5) outstanding project and assistant project director experience and (6) impressive capabilities and past experience.

<u>Id.</u> at 2-3. The SSA concluded that both offers were essentially equal in terms of technical competence and that award could be made to either offeror with minimal risk of performance failure. Under the circumstances, the SSA determined that she could not justify award to KBM at a premium of more than \$6 million. <u>Id.</u> at 3. Award was made to Milvets, and this protest followed.

Page 6 B-281919; B-281919.2

⁴The other two competitive range offerors' final proposals continued to be rated marginal and were not considered in the SSEB's award recommendation or in the source selection decision.

⁵The SSEB noted that Milvets's price was much lower than the IGE for these services but concluded that the IGE was not a "true indicator of the best rates the Government [could] obtain because prior contracts for these services [upon which the IGE was based] were awarded on a sole source basis." Agency Report, Tab E3(g), SSEB Final Evaluation Report at 8.

KBM complains that the agency's discussions with KBM were inadequate and misleading. Specifically, KBM argues that offerors were informed that BATF was interested in a "high-quality" approach for which the agency was willing to pay a price premium. KBM bases this argument upon the RFP cover sheet which informed offerors that the government's estimate for the contract work was \$40 to \$50 million and the RFP's award scheme that provided that a cost/technical tradeoff analysis would be performed in which technical merit was more important than price. KBM asserts that during the competition the agency decided that it wanted a low-priced approach but never informed KBM of this. Rather, KBM argues, the agency misled KBM into continuing to offer its high-quality approach at a price premium by informing KBM in discussions that only eight labor categories (those exceeding the IGE by more than 11 percent) were considered too high (although KBM's rates for other labor categories also exceeded the IGE) and that KBM needed to offer a labor escalation rate. KBM also complains that BATF never informed KBM that BATF decided during the competition that the estimate provided in the RFP cover sheet was too high. In this regard, KBM states that it believed its competitors for this award would likely offer lower pricing than KBM and that therefore KBM was prepared to significantly reduce its proposal price during the competition but chose not to do so based upon the discussions it received. KBM also argues that BATF conducted unequal discussions by informing Milvets of the technical areas in its proposal that it could improve but not providing technical discussions with KBM. Finally, KBM complains that the agency did not inform KBM of the areas of its proposal that could be altered or explained to enhance materially its proposal's potential for award.

In negotiated procurements, contracting agencies generally must conduct discussions with all offerors whose proposals are within the competitive range. 41 U.S.C. § 253b(d) (1994); Federal Acquisition Regulation (FAR) § 15.306(d)(1).⁷ Although discussions must be meaningful, leading an offeror into the areas of its proposal requiring amplification or revision, the agency is not required to "spoon-feed" an offeror as to each and every item that could be raised as to improve its proposal. Du & Assocs., Inc., B-280283.3, Dec. 22, 1998, 98-2 CPD ¶ 156 at 7-8. An agency has not satisfied its obligation to conduct meaningful discussions if it misleads an offeror

Page 7 B-281919; B-281919.2

⁶KBM also states the agency praised KBM throughout its performance as the incumbent, and this also indicated the agency's desire to continue to receive high-quality services.

⁷This procurement was conducted under the requirements of the FAR Part 15 revisions governing the conduct of discussions. Although the RFP was originally issued prior to January 1, 1998 and did not contain a notice on the cover of the RFP that the FAR Part 15 rewrite rules would apply (see 62 Fed. Reg. 51,224, Sept. 30, 1997), the agency notified offerors in a pre-proposal conference of the application of the FAR Part 15 rewrite rules.

or conducts prejudicially unequal discussions. Biospherics, Inc., B-278278, Jan. 14, 1998, 98-1 CPD \P 161 at 6.

Here, we find, as explained below, that BATF conducted legally sufficient discussions with KBM. In so finding, we disagree with KBM that within the context of this procurement BATF misled KBM in discussions. It is true, as asserted by KBM, that offerors were informed that a cost/technical tradoff analysis would be performed under which technical merit was more important than price. However, this did not mean that the agency would necessarily select the highest technically rated proposal, but that in selecting an offer for award technical merit would be given more weight than price. At the heart of this cost/technical tradeoff is the agency's exercise of business judgment in choosing between competing proposals to determine which offers the best combination of technical merit and price. See Southwest Marine, Inc.: American Sys. Eng'g Corp., B-265865.3, B-265865.4, Jan. 23, 1996, 96-1 CPD ¶ 56 at 10; DynCorp, B-245289.3, July 30, 1992, 93-1 CPD ¶ 69 at 8. Thus, all offerors, including KBM, knew, or should have known, that although the agency would be willing to pay a price premium for technical excellence, the agency retained the discretion to select a lower-priced approach if this provided the best value to the government.

KBM elected to pursue a high-priced approach, although the firm knew that its competitors would likely offer lower-priced approaches. Protester's Comments at 1, 12-13. In selecting such a competitive strategy, KBM hoped that its approach would be rated sufficiently higher technically than a competitor's that in the agency's business judgment KBM's price premium would be outweighed by the firm's technical superiority. Unfortunately for KBM, the agency found that KBM's and Milvets's offers were essentially technically equal. Having been unsuccessful in its competitive approach, KBM essentially complains that the agency had an obligation to inform KBM that the firm's competitive strategy (a higher-priced approach) would not succeed.

Underlying much of KBM's protest is the firm's assumption that at the time of discussions, BATF knew that KBM's higher-priced approach would likely not be successful. This assumption is belied by the record. At the time BATF conducted discussions, only KBM's proposal was found to be acceptable. The proposals of other competitive range offerors, including Milvets's, were evaluated as being marginal and as containing significant weaknesses. Although it is true that Milvets's proposal was lower priced than KBM's, the agency believed that Milvets would likely have to significantly increase its price to become technically acceptable. Agency Report at 9, attach. 1. Thus, even assuming that BATF had an obligation to inform KBM if the agency expected that the firm's competitive strategy would not be successful, at the time discussions were conducted, that was not BATF's expectation.

Although it is true that at some point in the procurement, BATF determined that the IGE identified in the RFP cover sheet was not an accurate reflector of prices the agency could expect to receive from offerors, we do not find that BATF's failure to

Page 8 B-281919; B-281919.2

inform KBM of this fact misled that firm.⁸ Not only was KBM, as the incumbent, in the best position to know what rates were realistic, but KBM in fact offered a lower price than that estimated by the agency. In addition, as noted above, KBM states that it expected its competitors to offer even lower prices. Under the circumstances, we fail to see how KBM was prejudicially affected by the RFP's price estimate.

We also do not find anything misleading in the agency's discussions with KBM expressing concern that KBM did not propose a labor escalation rate for the contract option years and that this could adversely affect the firm's ability to retain staff. Although KBM chose to provide for labor rate escalation in its option years, the agency's discussions provided KBM with the opportunity to explain, if it chose, its decision not to offer labor rate escalation. Rather than misleading KBM, we think the agency's discussions appropriately apprised the firm of an evaluated weakness in its proposal. See Research Analysis and Maintenance, Inc., B-272261, B-272261.2, Sept. 18, 1996, 96-2 CPD ¶ 131 at 11. In this regard, the agency conducted nearly identical discussions with Milvets, which also did not offer a labor escalation rate; Milvets in its final proposal revision also offered to escalate its labor rates in the option years.

Finally, we find that BATF's discussions regarding KBM's labor category rates should not have misled KBM. As noted above, BATF ultimately informed KBM that its rates for eight labor categories that exceeded the government's estimate by more than 10 percent were too high but those rates for seven labor categories that exceeded the estimate by 10 percent or less were "fair and reasonable." KBM responded to these discussions by lowering the rates of the eight labor categories that were identified as being high. Although KBM now argues that the agency's discussions indicated to KBM that proposed rates in excess of the government's estimate by 10 percent or less were "competitive" (Supplemental Protest at 28), we do not think that KBM could reasonably interpret the discussions as indicating that its prices were competitive in the sense that they would ensure that KBM would be selected for award. Rather, by informing KBM that certain rates were considered "fair and reasonable," BATF merely indicated to KBM those rates were considered realistic in relation to KBM's technical approach and in relation to other price indicia, such as the government estimate, prior contract prices, or other price proposals. See FAR § 15.404-1(b) (government's price analysis may include comparison of price to other proposed

Page 9 B-281919; B-281919.2

⁸BATF states that it was only after receipt of final proposal revisions that the agency determined that the IGE was overstated. Agency Report at 8-9; Agency Report Revision, Mar. 18, 1999.

⁹FAR § 15.306(e)(3) provides that a contracting officer may inform an offeror that its price is considered to be too high, too low, and reveal the results of the analysis supporting that conclusion.

prices, previously proposed prices, market prices, and/or the independent government's estimate).

KBM also complains that the agency did not inform KBM of aspects of its proposal which could be altered or explained to materially enhance the proposal potential for award. FAR Part 15 was recently revised to provide as follows:

The contracting officer shall . . . indicate to, or discuss with, each offeror still being considered for award . . . aspects of its proposal (such as cost, price, technical approach, past performance, and terms and conditions) that could, in the opinion of the contracting officer, be altered or explained to enhance materially the proposal's potential for award.

FAR § 15.306(d)(3). Although KBM cites the provision as a basis to argue that the contracting officer acted improperly here, it has not identified any material enhancements that should have been, or could have been, identified by the agency with respect to KBM's technical proposal. With respect to KBM's cost proposal, the protester does argue that its competitive position could have been improved by offering a lower proposed price. However, as noted above, the record establishes that the agency had no reason to believe at the time of discussions that KBM's proposed price was not competitive.

KBM also complains that BATF conducted unequal discussions because Milvets received technical discussions while KBM did not. Although an agency must treat offerors fairly and provide offerors with an equal opportunity in discussions to revise their proposals, discussions with each offeror need not be identical. Rather, a procuring agency should tailor its discussions to each offer since the need for clarifications or revisions will vary with the proposals. FAR § 15.306(d)(1); The Pragma Corp., B-255236 et al., Feb. 18, 1994, 94-1 CPD ¶ 124 at 9. BATF satisfied that obligation here. The agency conducted technical discussions with Milvets because that firm's technical proposal contained a number of evaluated weaknesses. KBM's proposal, on the other hand, did not have any evaluated weaknesses or deficiencies, and therefore the agency found nothing in KBM's technical proposal that needed to be clarified or revised through discussions.

KBM also protests the agency's evaluation of KBM's and Milvets's technical proposals. Specifically, KBM complains that, although the agency found no weaknesses or deficiencies in KBM's technical proposal and admits that KBM's proposal was "excellent" (Agency Report at 51), the agency assessed KBM's proposal as only acceptable overall under the RFP's technical evaluation factors. In the protester's view, KBM's specific experience under the current contract, which provided the firm with a trained workforce and program knowledge, should have entitled KBM's technical proposal to a higher evaluation rating than Milvets's technical proposal, which was also evaluated as acceptable overall.

Page 10 B-281919; B-281919.2

All of KBM's proposal strengths stated above were detailed by the agency's TEP and SSEB in its evaluation reports and specifically cited by the SSA in her source selection decision. Likewise, the agency detailed Milvets's evaluated technical proposal strengths in the TEP's and SSEB's evaluation reports and the SSA's source selection decision. KBM's does not challenge the strengths identified in either its proposal or Milvets's proposal. Rather, the crux of KBM's arguments appears to be that, given its evaluated strengths, KBM should have received a better adjectival rating than Milvets's.

We have long recognized that evaluation ratings, be they adjectival, numerical or color, are merely guides for intelligent decision-making in the procurement process. Grey Advertising, Inc., B-184825, May 14, 1976, 76-1 CPD ¶ 325 at 9. The more important consideration is whether the documented evaluation record and source selection decision reasonably assess the relative merits of the proposals in accordance with the stated evaluation criteria. Southwest Marine, Inc.; American Sys. Eng'g Corp., supra, at 10-11. Here, the record shows that the relative merits of KBM's and Milvets's proposals were adequately and reasonably documented and considered. Specifically, as noted above, the strengths of each firm's proposal was identified in the agency's evaluation documents and weighed in the agency's cost/technical tradeoff analysis; this includes the strengths that KBM asserts should have entitled it to a higher adjectival rating.

KBM also protests that the source selection decision is irrational because the SSA did not adequately consider KBM's alleged technical superiority.

Source selection officials have broad discretion to determine the manner and extent to which they will make use of the technical and cost evaluation results in negotiated procurements. <u>Grey Advertising, Inc.</u>, <u>supra</u>. Where source selection officials reasonably regard proposals as essentially technically equal, cost or price can become the determining factor in making award notwithstanding that the RFP provided that the cost or price was of less importance than technical merit. <u>Resource Management Int'l, Inc.</u>, B-278108, Dec. 22, 1997, 98-1 CPD ¶ 29 at 4.

Page 11 B-281919; B-281919.2

¹⁰KBM does complain that it did not receive sufficient credit for its incumbent workforce, particularly where Milvets was criticized during discussions for not having a plan to recruit incumbent employees. The record shows, however, that KBM's incumbent staff was cited as a proposal strength in both the evaluation record and source selection decision. Furthermore, although Milvets's initial offer was criticized for its lack of a recruitment plan, Milvets offered an acceptable recruitment plan, that included contacting incumbent staff as well as advertising for staff, in its final proposal revision; Milvets's recruitment plan was not identified as a proposal strength.

We find that, contrary to KBM's arguments, the SSA adequately considered KBM's evaluated strengths in her source selection decision. The record shows that the SSA was presented with the evaluated strengths in both KBM's and Milvets's proposals. The SSA's written decision demonstrates that, for each technical evaluation factor, the SSA weighed KBM's evaluated strengths against those in Milvets's proposal. The SSA also acknowledged that a number of KBM's strengths, e.g., its specific contract experience and staff, were typical of those available to an incumbent; the SSA nevertheless specifically credited KBM for these strengths in her source selection decision. In balance, the SSA concluded that the two firms' proposals were essentially equal. Agency Report, Tab E10(a), Source Selection Decision at 3. Although KBM disagrees with this judgment, it has not shown it to be unreasonable.

The protest is denied.

Comptroller General of the United States

Page 12 B-281919; B-281919.2