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Comptroller General
of the United States

United States General Accounting Office
Washington, DC 20548

Decision

Matter of: Securicor Sicherheitsdienste

File: B-292723

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Matthew A. Cambra, Cambra-Consult, for the protester.
Capt. Charles K. Bucknor, Jr., Department of the Army, for the agency.
Sharon L. Larkin, Esq., and James A. Spangenberg, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest challenging "best value" selection of higher priced, higher technically rated proposals is denied, where agency reasonably evaluated protester's proposal as marginal based on numerous technical weaknesses.

DECISION

Securicor Sicherheitsdienste protests the award of two contracts, one to Securitas GmbH Werkschutz and the other to Pond Security Service GmbH, by the Department of the Army under request for proposals (RFP) No. DABN01-03-R-0005 for guard services at U.S. military installations in Germany.

We deny the protest.

The RFP sought proposals for installation guard services for five Area Support Groups (ASG) in Germany and the former U.S. Embassy in Bonn, Germany.[1] These services include such things as static installation access control, roving security patrols, explosive detection and patrol dog teams, personnel security escorts, and "any other security related function associated with the protection of the U.S. Government installations, materials, property, and personnel." RFP at 284. The RFP also required the operation and maintenance of the government-furnished "Mobile Vehicle Inspection System" to conduct security inspections of vehicles at various locations on military installations. Operation of the mobile search system at an installation required providing a three-person team per shift. RFP at 475.

[1] The five ASGs were the 6th, 26th, 98th, 100th, and 104th.

The RFP contemplated the award of multiple fixed-price contracts covering the six installations for a base year with six 1-year options. Award was to be made to the offeror or offerors whose proposals provided the "overall best value," considering technical/management capability, performance risk (i.e., past performance), and price. The technical/management capability and performance risk factors were of equal importance, and combined were "significantly more important" than price, which was to be evaluated for realism and consistency with the technical/ management proposal. The RFP provided for a tradeoff analysis between price and the other evaluation factors to determine which offer represented the best value, and cautioned offerors that the Army "reserves the right to award to other than the low [price] offeror for better technical/management capability or low performance risk or a combination of both." RFP at 496.

The technical/management capability factor consisted of eight subfactors of equal importance--contractor's qualification; contract organizational structure; contract personnel staffing; personnel management; training plan; mobilization capability; uniforms, vehicle and other equipment; and quality control--which were further broken down into sub-subfactors. RFP at 498-500. Unlike the other subfactors, which were to be qualitatively evaluated, the contractor's qualification subfactor was to be evaluated only on a pass/fail basis. RFP at 498.

Securicor, Securitas, Pond, and four other offerors responded to the RFP. A technical/management performance evaluation board (TMPEB) evaluated proposals on a pass/fail basis under the contractor's qualification subfactor, and as deficient, marginal, good, or excellent under the remaining technical/management capability subfactors. The Wiesbaden Financial Services Branch evaluated the price proposals. Based on these evaluations, a competitive range of three proposals was established, including those of the two awardees and the protester.

Discussions were held with the three competitive range offerors. In advance of these discussions, the offerors were provided a list of questions concerning proposal weaknesses. In these discussions, Securicor was informed of weaknesses under all eight of the technical/management subfactors, including weaknesses relating to manager responsibilities, recruitment, training, and mobile search team labor rates. Securicor was represented at the discussion session by its proposed project manager, the principal of Cambra-Consult, who had also prepared the proposal. No employee of Securicor attended the discussion session.

After discussions concluded, the three offerors submitted final proposal revisions (FPR), which were evaluated and rated as follows:

		Ponds	Securitas	Securicor
Technical/Management Capability				
	Contractor Qualification	Pass	Pass	Pass
	Contract Organizational Structure	Good	Good	Marginal
	Contract Personnel Staffing	Good	Good	Marginal
	Personnel Management	Good	Good	Marginal
	Training Plan	Good	Good	Deficient
	Mobilization Capability	Good	Good	Marginal
	Uniforms & Other Equipment	Good	Good	Good
	Quality Control	Good	Good	Good
Performance Risk		Low	Low	Low
Overall Technical Assessment		Good	Good	Marginal
Price (in Euros)				
	6th ASG	€12,850,746	---	€10,634,106
	26th ASG	€40,312,948	---	€30,331,550
	98th ASG	[REDACTED]	€31,792,594	€30,663,672
	100th ASG	€13,647,776	[REDACTED]	€12,190,655
	104th ASG	€42,271,488	---	€36,601,142
	Bonn	€621,359	---	€559,770

Contracting Officer's Statement ¶ 9; Agency Report (AR), Tab 9, Source Selection Decision at 7-10.

As noted in the source selection decision, Ponds' and Securitas' proposals received an overall rating of good for the technical/management capability factor because their proposals met all of the technical requirements and contained no weaknesses under the technical/management capability factor for the installations for which they later received award. The source selection authority (SSA) had "no doubt [of] the offeror[s'] capability to provide satisfactory, reliable services" AR, Tab 9, Source Selection Decision, at 3-4. In contrast, the SSA found weaknesses in Securicor's proposal under five of the eight subfactors under the technical/management factor that led to marginal or deficient ratings for those subfactors and an overall marginal rating. The SSA concluded that Securicor's proposal warranted an overall technical rating of "Marginal leaning towards Deficient based on the numerous weaknesses" and because it "did not consider significant aspects of the Performance Work Statement and is not clear or lacking in details in several areas of this proposal," such that "[t]here is some doubt ranging to considerable doubt of the offeror's capability to provide satisfactory, reliable service." Id. at 6-7.

In comparing the offerors' prices, the SSA noted that the biggest differential in prices for the ASG installations came from Securicor's price for the mobile search teams.

These teams consist of three guards each who possess higher certification requirements and responsibilities than regular guards. The SSA noted, and the record confirms, that Securicor's pricing strategy was to propose a lower base security guard rate for the teams, which did not account for the added certification or responsibilities, and to price the team as if it contained only one guard, as opposed to three guards. The SSA found this approach to present "not only a considerable price risk but also a serious technical, and performance risk to the government," and it reflected an approach that was "highly questionable to ensure successful performance."[2] Id. at 7.

After comparing proposals, the SSA concluded:

> Pond and Securitas clearly represent the current most viable contract award solutions for the present requirement, whereas firm Securicor contained many weaknesses and there was considerable doubt inherent in performance of all ASGs and Bonn regarding successful contract performance. Both Pond and Securitas provided a thorough and sound technical approach to the requirements with little to no doubt of their ability to provide reliable, quality services. Consideration for the contract award for each ASG was evaluated against the Basis for Award criterion and my own asses[s]ment of the best value trade-off of a higher rated technical approach against a lower rated, lower priced offer.

Id. at 11. The SSA thus selected Pond for award of contracts for the 6th, 26th, 100th, 104th ASGs and Bonn, and selected Securitas for award of a contract for the 98th ASG.

Securicor challenges its evaluation under several of the technical/management capability subfactors.

In reviewing protests of alleged improper evaluations and source selection decisions, it is not our role to reevaluate proposals. Rather, we will examine the record to determine whether the agency's judgment was reasonable and in accord with the stated evaluation criteria and applicable procurement laws and regulations. Abt Assocs., Inc., B-237060.2, Feb. 26, 1990, 90-1 CPD ¶ 223 at 4. It is an offeror's obligation to submit an adequately written proposal for the agency to evaluate, and an offeror fails to do so at its own risk. United Defense LP, B-286925.3 et al., Apr. 9, 2001, 2001 CPD ¶ 75 at 19.

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[2] When its price strategy was questioned by the agency, Securicor confirmed in its FPR that "[o]ur price strategy is that of a single hourly rate for all positions," and "verif[ied] that our hourly price for the mobile search teams is for three guards per team." Securicor characterized this approach as "a very large risk" on its part. AR, Tab 15, Securicor's FPR, vol. 2, at 1.

Under the contract organizational structure subfactor, Securicor's proposal was rated marginal because it was found to not identify clear and comprehensive lines of responsibility, management, and training throughout the corporate structure. Specifically noted were concerns that Securicor did not adequately address the qualifications of Securicor's proposed project manager (who was a consultant but not an employee of the firm), did not have any employees of the firm represent it at the discussions, and did not clearly define responsibilities for recruiting, hiring, and training. AR, Tab 9, Source Selection Decision, at 5. This led the Army to conclude that the firm lacked a "clear and cohesive management structure" such that there was a "**HIGH** risk that the Contract Organizational structure presented will not provide effective contract management." AR, Tab 11, Final TMPEB Evaluation of Securicor, Factor 2.

Although the protester contends that the project manager was given full authority to act on behalf of Securicor and was fully empowered to recruit and hire, we cannot find that the Army's concerns about effective contract management were unreasonable, given the firm's apparent lack of involvement in preparing the proposal and participating in the discussions. Nor can we find unreasonable the agency's concerns over the project manager's qualifications, given that the resume for the proposed project manager provided little detail concerning his qualifications and Securicor did not provide any additional details in its proposal.

Additionally, from our review, we find that the agency could reasonably conclude that there were unclear lines of responsibility for recruiting, hiring, and training. For example, Securicor argues, and its initial proposal states, that the project manager is responsible for recruiting and hiring new employees. However, Securicor's FPR provides that hiring will be conducted through the firm's Human Resources Department, and may be conducted by site managers (who are also empowered to terminate employees with approval of area managers). AR, Tab 15, Securicor's FPR, at 1. Similarly, from our review, it appears that the firm's lines of responsibility for training are blurred among the training division, site instructors, project manager, and area supervisors. See AR, Tab 30, Securicor's Initial Proposal, vol. 3, at 24; Tab 15, Securicor's FPR, at 1. Thus, the agency's marginal rating under the contract organizational structure subfactor was reasonable.

Under the contract personnel staffing subfactor, Securicor's proposal was found marginal because it did not include a contingency plan for emergency staffing of positions or provide for all possible contingencies. AR, Tab 9, Source Selection Decision, at 5. Under this subfactor, the RFP required offerors to provide "a contingency plan to meet unforeseen manning shortfalls caused by unexpected terminations, sick leave, and other emergency type absences, etc." RFP at 499. Securicor concedes that it failed to provide this required plan, but argues that this omission was minor. We disagree, and, based on our review, we find the marginal rating for this subfactor was reasonable.

Under the personnel management subfactor, Securicor's proposal was rated marginal because it did not demonstrate an understanding of the agency's requirements, "based on the overall lack of detailed plans to ensure recruitment of qualified guards, lack of compensation, [and] performance and incentive plans that will result in a highly qualified and motivated workforce," despite the fact that these issues were raised during discussions. Securicor's proposal was specifically found to contain inadequate information concerning required employee compensation and incentive plans, particularly for the Explosive Detection Dog (EDD) handlers, mobile search teams, and site managers, who appeared to be compensated at rates lower than the agency believed were commensurate with the qualifications and additional responsibilities of these positions. AR, Tab 9, Source Selection Decision, at 5-6.

The protester contends that its plans for recruiting qualified guards were adequately described in its initial proposal, which provided an overview of the firm's hiring process. However, our review confirms the reasonableness of the agency's determination that Securicor's proposal provided no elaboration or detail regarding the screening process or procedures used to ensure guard applicants met the necessary requirements and did not provide sufficient additional details in its FPR.

Also, Securicor does not deny that it failed to provide compensation or incentive plans (and the record does not show that they were provided), but rather states only that it believes its wage rates are adequate and, in any event, it would "honor the current contracts of all guards who are re-employed as long as these contracts are legal and plausible." AR, Tab 15, Securicor's FPR, at 7. Securicor also contends that since this is a fixed-price contract, any shortfall in wages would fall to the contractor, which would pose only minimal risk since the EDD handler and mobile search team wages formed less than two percent of the contract. However, Securicor's arguments focus only on the price risk to the firm, and fail to address the potential negative effect on the firm's ability to "retain qualified, reliable, dedicated and highly motivated guard force," which is what the RFP stated would be evaluated under this subfactor. RFP at 499.

Given Securicor's qualified statement to honor current contracts, coupled with its failure to provide information required by the RFP, namely detailed compensation plans and incentives and a detailed recruiting plan, the Army's rating of Securicor's proposal as marginal under the personnel management subfactor was reasonable.

The Army assessed a deficient rating to Securicor's proposal under the training plan subfactor because Securicor failed to provide the required training plan. AR, Tab 9, Source Selection Decision, at 6. The RFP stated that the evaluation of this subfactor would include an assessment of whether "[a]ll [of] the training requirements and the number of hours in the specifications are included" and whether "[a] plan is included showing the schedule of training to be provided." RFP at 499. Although Securicor contends that a training plan was provided in its initial proposal, the record shows that the plan did not meet the requirements of the RFP, since it merely listed general categories of required training and outlined a general interface between the

Securicor training division and the project and area managers. AR, Tab 26, Initial TMPEB Evaluation of Securicor, Factor 5; AR, Tab 30, Securicor's Initial Proposal, vol. 3, at 25. As the Army correctly notes, Securicor did not identify the role of the site trainers or site managers, and provided no details of an integrated training program in its initial proposal. AR, Tab 26, Initial TMPEB Evaluation of Securicor, Factor 5. Moreover, in its FPR, Securicor promised only that it "will provide a training plan," stating that "[d]ue to not knowing the current training standards of the incumbent[']s guards, a training plan cannot be delivered." AR, Tab 15, Securicor's FPR, at 8. Given Securicor's failure to submit a training plan as required by the RFP, the Army's rating of deficient under this subfactor was reasonable.

Finally, under the mobilization capability subfactor, Securicor's proposal received a marginal rating because it failed to identify specific roles and responsibilities of personnel involved in the phase-in period, and because Securicor presented conflicting descriptions of its mobilization efforts in its discussions and FPR, which indicated to the Army that the necessary mobilization efforts "were not clearly planned and only upon contract award would there be any firm determination as to what would actually take place." AR, Tab 9, Source Selection Decision, at 6. Securicor does not deny the accuracy of the agency's observations in this regard, but argues that it did not believe it necessary to identify the personnel roles, given the firm's experience in providing guard services. However, the RFP stated that proposals would be evaluated for whether the offeror "identified the individuals involved in the mobilization plan and their duties and responsibilities," as well as the "phase-in of management personnel." RFP at 500. While Securicor also argues that its contradictory statement in discussions should have been ignored because Securicor had "re-considered the mobilization efforts," Protester's Comments at 5, it did not inform the agency of this change of position and, thus, we cannot find the agency's evaluation of Securicor's seemingly contradictory proposal unreasonable.

Based on the foregoing, the agency reasonably determined that Securicor's proposal warranted a marginal rating for the technical/management factor. Thus, while Securicor challenges that Army's best value determination, arguing that award should have been made to it based on its lower priced proposal, the record shows that the Army reasonably found that the Ponds' and Securitas' proposals were technically superior and that their technical superiority was worth the additional cost. Consequently, we find no basis to object to the awards to these two offerors. Structural Preservation Sys., Inc., B-285085, July 15, 2000, 2000 CPD ¶ 131 at 7.

The protest is denied.

Anthony H. Gamboa
General Counsel