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Comptroller General
of the United States

United States General Accounting Office
Washington, DC 20548

Decision

Matter of: Fiserv NCSI, Inc.

File: B-293005

Date: January 15, 2004

Michael R. Charness, Esq., and Robert J. Rothwell, Esq., Vinson & Elkins, for the protester.
Carl L. Vacketta, Esq., and Kevin P. Mullen, Esq., Piper Rudnick, for Covansys Corporation, an intervenor.
Leigh M. Hoburg, Esq., Department of Homeland Security, Federal Emergency Management Agency, for the agency.
Glenn G. Wolcott, Esq., and Michael R. Golden, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. In procurement for fixed-unit-price contract, agency reasonably determined that awardee's proposed prices were realistic where evaluation record reflects agency's thorough consideration of awardee's proposed technical approach that reasonably supported the agency's conclusion that awardee's approach would meet the solicitation requirements, and agency further examined the individual elements of awardee's proposed prices, including data related to direct labor, labor overhead, and other direct and indirect costs.

2. Where record establishes that agency reasonably compared protester's [deleted] approach, which necessitated a significantly higher price than the price proposed by awardee in connection with its technology-intensive approach, and excluded protester's proposal from the competitive range on the basis that, in order to be eligible for award, protester would have to completely revise its proposed technical approach, errors or inaccuracies in the government estimate are immaterial and do not provide a basis for sustaining the protest.

DECISION

Fiserv NCSI, Inc. (NCSI) protests the Department of Homeland Security, Federal Emergency Management Agency's (FEMA) exclusion of NCSI's proposal from the competitive range under request for proposals (RFP) No. EMW-2003-RP-0030 to perform various activities pursuant to the National Flood Insurance Program (NFIP).[1] NCSI protests that the agency improperly evaluated the technical and price proposals submitted in response to the solicitation and relied exclusively on a flawed government cost estimate to exclude NCSI's proposal from the competition.

We deny the protest.

BACKGROUND

In October 2002, the agency began preparing to conduct a follow-on procurement to replace the expiring contract for services supporting the NFIP program; NCSI is the incumbent contractor, and has been the NFIP servicing agent contractor for approximately 10 years. The agency states that in conducting previous procurements for these requirements it has obtained "little to no competition," and that, in "an effort to enhance competition, restrictive conditions were removed from the requirement[s]."[2] Agency Report, Contracting Officer's Statement, at 3.

In August 2003, the solicitation was published, seeking proposals to function as the NFIP servicing agent contractor during a base period and four 1-year option periods. Agency Report, Tab 8. Pursuant to the solicitation, the successful offeror will be responsible for servicing flood insurance policies that are written directly by the federal government;[3] in that regard, the contractor will issue and service flood insurance policies, collect premiums, adjust and settle claims, and disseminate information to the public, lenders and agents. Agency Report, Tab 8, RFP, at 89.

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[1] The NFIP, established in 1968, is a federal program enabling property owners in participating communities to purchase insurance as a protection against flood losses in exchange for State and community floodplain management regulations that reduce future flood damages.

[2] For example, the agency removed certain geographic restrictions regarding the location of the offeror. Agency Report, Contracting Officer's Statement, at 3.

[3] Since 1983, the vast majority (currently, nearly 95 percent) of all NFIP policies have been written by "Write Your Own" (WYO) companies--that is, private insurance companies that are authorized by the federal government to write and service NFIP policies in their own names. The WYO companies receive an expense allowance for policies written and claims processed, while the federal government retains the underwriting risk. Agency Report, Tab 8, RFP, at 89. Under the solicitation at issue here, the contractor is responsible for servicing the remaining "direct" insurance policies--that is, the NFIP policies for which the federal government is the named insurer.

The solicitation requirements encompass three basic types of flood insurance policies: standard flood insurance policies (SFIP)[4]; group flood insurance policies (GFIP)[5]; and repetitive loss target group policies (RLTG)[6]. The solicitation contains contract line item numbers (CLINs) for each of the three policy groups, along with estimated quantities for each group, by contract period;[7] offerors were required to propose fixed unit prices, per policy and by contract period, for servicing each group of policies. Agency Report, Tab 8, RFP, at 6.

The solicitation provided that award would be based on the proposal determined to be "most advantageous" to the government, taking into consideration price and other non-price evaluation factors.[8] Agency Report, Tab 8, RFP, at 85. With regard to price, the solicitation provided that offerors' proposals would be evaluated as to price reasonableness and realism,[9] and warned that "[a]n offeror's proposal may not be considered if the cost is unreasonably high or unrealistically low." Id.

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[4] This is the basic insurance policy under the NFIP and represents approximately 66 percent of the total estimated number of insurance policies the contractor will be required to service. Agency Report, Tab 18, at 2.

[5] The GFIP policies provide a low-cost mechanism for insuring disaster aide recipients, providing a minimum level of insurance coverage for 3 years tied to the consumer price index. Agency Report, Tab 8, RFP, at 93. The GFIP policies represent approximately 14 percent of the total estimated number of insurance policies the contractor will be required to service. Agency Report, Tab 18, at 2.

[6] The RLTG policies are issued for properties that have sustained repetitive losses. The solicitation requires that the contractor perform certain monitoring and oversight activities related to these policies that are not required to service the SFIP and GFIP policies. Agency Report, Tab 8, RFP, at 94. The RLTG policies represent approximately 20 percent of the total estimated number of insurance policies the contractor will be required to service.

[7] The solicitation also contained a separate CLIN for transition costs.

[8] The non-price evaluation factors were: ability to perform major and other requirements; corporate experience and past performance; and staffing and key personnel. Agency Report, Tab 8, RFP, at 86-87. The solicitation provided that non-price factors would be more important than price. Agency Report, Tab 8, RFP, at 85.

[9] Section M of the solicitation stated that, that in performing the price realism analysis, the agency would review the skill mix, specific level of effort, and material proposed for performing the solicitation requirements and would determine whether the offeror's proposed price/cost elements are "realistic for the work to be performed, reflect a clear understanding of the requirements, and are consistent with the approach described in the offeror's technical proposal." Agency Report, Tab 8,

(continued...)

Six months before issuing the solicitation, the contracting officer's technical representative (COTR) prepared an independent government cost estimate (IGCE) related to the requirements being competed here. Agency Report, Tab 2. In preparing that estimate, the COTR multiplied the prices currently charged by NCSI under its incumbent contract by the estimated quantities of SFIP contracts projected to be in force during the total contract performance period, then added 4 percent for inflation and $500,000 for transition costs; the total IGCE was $28.58 million.[10] Id.

On or before the September 9 closing date, the agency received proposals from two offerors: NCSI and Covansys. Thereafter, the offerors' technical proposals were evaluated by a technical evaluation panel (TEP),[11] and price proposals were evaluated by a business evaluation committee (BEC).[12] Although both offerors' technical proposals were rated "acceptable," the TEP found the offerors' technical approaches to be substantially different. Specifically, NCSI proposed a [deleted] approach that essentially reflects the manner it has previously performed the contract requirements. In contrast, Covansys proposed a web-based approach, relying on state-of-the-art information technology (IT) to eliminate many of the previously used manual processing requirements. Consistent with its [deleted] approach, NCSI contemplated a staff comprised of [deleted] full-time equivalent (FTE) personnel; Covansys's initial proposal reflected a staff comprised of [deleted] FTEs.[13] Agency Report, Tab 25, at 1, 5. Also consistent with their differing technical approaches and proposed staffing levels, the offerors' proposed prices were dramatically different. NCSI's proposal offered a price of approximately

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at 88. The solicitation also required that each offeror submit pricing information regarding individual pricing elements, including direct labor, direct materials, overhead, travel and consultants. Agency Report, Tab 8, RFP, at 76-77.

[10] The COTR's estimate did not reflect the costs associated with servicing GFIP or RLTG policies. Id. These two groups of policies, combined, are projected to constitute approximately one-third of the total policies to be serviced. Agency Report, Tab 18, at 2.

[11] In evaluating technical proposals, the TEP assigned adjectival ratings of "superior," "acceptable," "marginal," and "unacceptable." Agency Report, Tab 24, at 7.

[12] The solicitation provided that offerors' total evaluated prices would be determined by multiplying the proposed unit prices by the estimated quantities for each CLIN and adding the results for the base period and all option periods. Agency Report, Tab 8, RFP, at 87.

[13] Following discussions, Covansys increased its proposed staffing level to [deleted] FTEs.

[deleted] million; Covansys's initial proposal offered a price of approximately [deleted] million.[14] Agency Report, Contracting Officer's Statement, at 6.

In evaluating Covansys's technical proposal, the TEP identified multiple strengths related to what it described as Covansys's "innovative web-based IT systems solution." Agency Report, Tab 24, at 20. Among other things, the TEP noted that "[Covansys's] financial systems are integrated into all administrative systems," and recognized that Covansys's proposal "will allow for real time data exchange," provides the "ability to view all documents on line," and provides "[deleted]." Id. Further, the TEP noted that Covansys "proposes to train and give FEMA staff on line access to on-line claims files," and that its quality assurance plan incorporates an "[a]utomated diary system and reminder letters." Id. The TEP summarized its assessment of Covansys's web-based approach, stating:

> [Covansys's] website . . . provides great value added by offering an efficient and effective means for reporting losses, settling losses and for rapid assignment. Real-time updates provide for accurate reserving and performance tracking. [Deleted].

Agency Report, Tab 24, at 21.

In contrast, in evaluating NCSI's proposal, the TEP identified multiple weaknesses and limitations related to NCSI's [deleted] approach, describing NCSI's proposal as "a business as usual approach" and elaborating that "[n]o new or innovative approaches were presented." Agency Report, Tab 24, at 15-16. The TEP further stated, "[NCSI] is proposing the same staffing of key individuals that are currently being utilized on the existing contract" and noted "[t]here has . . . been some difficulty in making sure that [non-key personnel] in lower level positions know their jobs sufficiently to perform them properly." Agency Report, Tab 24, at 17. The agency also identified certain areas where NCSI's [deleted] approach appeared particularly inefficient. For example, with regard to servicing RLTG policies, a BEC adviser noted that NCSI's price proposal was based on its claims examiners handling an average of approximately [deleted] claims per day, stating: "This load is below standard. They should be handling 4 to 7 per day." Agency Report, Tab 25, at 8. Overall, this BEC adviser stated: "They are proposing a staff of [deleted] people to run this contract that I feel is ridiculous," adding that "[NCSI's approach] still looks like a very [deleted] process in all areas. I feel that their staffing needs are extremely high and unreasonable."[15] Agency Report, Tab 25, at 7.

[14] Following discussions, Covansys increased its proposed price to approximately $25.14 million.

[15] NCSI does not dispute that its proposed technical approach contemplates a great deal of [deleted]; nor does NCSI assert that, if given the opportunity, it would materially alter its proposed approach.

The agency concluded that, in light of NCSI's high cost/price--which was directly related to its proposed [deleted] approach--NCSI's proposal did not stand a reasonable chance of being selected for award over Covansys's significantly lower-priced, technology-intensive approach unless NCSI completely revised its proposed technical approach. Accordingly, the agency determined that NCSI's proposal was not in the competitive range and notified NCSI of this determination on September 25. This protest followed.

DISCUSSION

NCSI first protests that the agency failed to perform a proper price realism analysis regarding Covansys's proposal, complaining that "[h]ad the FEMA evaluators performed a proper and thorough price realism assessment, it would have been clear to them that Covansys's proposed unit prices were wholly out of line with the cost experience known to the agency [based on NCSI's past prices]." Protest at 10.

In awarding a fixed-price contract, the realism of an offeror's proposed prices are not generally considered, since the contractor is responsible for contract costs and the resulting profit or loss. <u>See</u>, <u>e.g.</u>, <u>Computer Sys. Int'l, Inc.</u>, B-276955.2, Aug. 13, 1997, 97-2 CPD¶ 49 at 3. Nonetheless, an agency may, as here, advise offerors that, despite the fixed-price nature of the contract, the agency intends to analyze each offeror's proposed price and technical approach to assess both reasonableness and realism. The Federal Acquisition Regulation (FAR) identifies a number of price analysis techniques that may be used to determine whether prices are reasonable and realistic, including comparison of the proposed prices with each other, comparison with prior contract prices for the same or similar services, and comparison with an independent government estimate. FAR § 15.404-1(b).

Here, the record reflects the agency's extensive, documented evaluation of Covansys's proposal to assess, first, Covansys's understanding of the solicitation requirements; next, whether its proposed approach would meet the requirements; and finally, whether the elements of Covansys's proposed price were realistic for the work Covansys proposed to perform and the way it proposed to perform it. Agency Report, Tabs 24, 25, 28. As summarized above, the agency reached the conclusion that Covansys's web-based, technology-intensive approach will reasonably meet the solicitation requirements and will do so in a manner that necessitates substantially fewer personnel and at a dramatically lower price than would be required by NCSI's [deleted] approach.

More specifically, in performing its price realism analysis, the agency's BEC compared and contrasted various elements of Covansys's and NCSI's proposals, first addressing the level and sophistication of information technology that each offeror proposed to employ. With regard to Covansys's proposal, the BEC stated:

> Covansys has a web-based system already in place that is ready to go on day 1. This means that FEMA would not have to go through a modernization process after the contract is awarded.

Agency Report, Tab 28, at 8.

In contrast, the BEC noted that NCSI was proposing to begin contract performance by continuing to rely on a "proprietary mainframe," referred to as the "WYO/3000 System," stating:

> [Although] FEMA is moving away from mainframe services into web services[,] NCSI still relies on the WYO/3000 system to house its data and logic, and proposes developing a new system, NFIPDirect.com[,] for this contract.

Id. at 7.

Similarly, with regard to Covansys's software system, referred to as "FloodConnect," and its proposed management system, the BEC stated:

> The Covansys FloodConnect System is based on [a] reusable component, object-oriented approach. This is very important as it relates to portability and modifications to rate and rules changes. In addition this approach is the same as the NextGen approach for modernizing the NFIP systems.
>
> Covansys'[s] Workflow Management System is integrated throughout their technical solution [and] allows coordination with NFIP partners and exchange of information in real time. Exchanges, including claims reporting, can be reported online, in real time, by agents, policy holders and partners.
>
> Covansys['s] financial systems were designed to be integrated into all administrative systems. For every transaction, the FloodConnect system records detailed financial journal entries[.] [T]his allows them [Covansys] to produce accurate preliminary NFIP financial statements [deleted], requires no manual intervention and provides a complete financial audit trail of every transaction.
>
> It looks like the FloodConnect System exceeds the requirements and sets new, improved standards for our current method of flood processing. The FloodConnect system addresses more than just technology, it enables efficiencies in operations by providing

> integrated workflow management and process control, integrated records management, integrated correspondence, integrated document production, integrated financial management, etc.

Id. at 8-9.

In contrast, in evaluating NCSI's proposed software system, identified as "AccessFlood," the agency stated:

> AccessFlood . . . was built by converting logic from the mainframe into rules for the on-line system[.] [T]hat means they [NCSI] are maintaining 2 systems and will continue to do so in the immediate future. It will require a lot of time and effort to convert their current system into [a] web services environment[.] [T]hat is evident by NCSI's proposed timeline of [deleted] after contract award to decommission the WTO/3000 system.
>
> NCSI[']s AccessFlood systems is currently running a[n] older version of Oracle, the rules for the current system are hard coded and heavily tied to the mainframe. It will require a lot of time and effort to convert AccessFlood to a web services environment.
>
> The AccessFlood Rating Engine was built using Powerbuilder (Not a FEMA standard and not a state of the art tool; not portable. . .); inflexible --- doesn't facilitate a timely turnaround for updates/changes/corrections to the rules/code. Inflexible -- requires Powerbuilder coders to go in and make changes. Doesn't support web services.

Id. at 7-8.

Based on our review of the record, it is clear the agency considered each offeror's technical approach, along with the specific resources reasonably associated with each approach, compared the proposals to each other and to the solicitation's requirements, and reasonably concluded that while both offerors understood the solicitation requirements and could successfully perform the requirements, Covansys's approach would do so in a manner that was considerably more efficient and economical.[16] Further, the agency concluded that NCSI's considerably higher

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[16] The record also establishes that, for each contract period, the agency performed a documented analysis of Covansys's price elements, including direct labor, labor overhead, other direct costs (including travel, training, consumable equipment, and consultants,) and its proposed general and administrative (G&A) rate. Agency (continued...)

price was, in large part, necessitated by its proposed technical approach; accordingly, the only way that NCSI could realistically offer a price as low as that offered by Covansys would be to substantially rewrite its technical proposal.

On this record, we find no basis to question the agency's determination that Covansys's proposal demonstrated a realistic understanding of the solicitation requirements, and that Covansys's proposed prices were reasonable and realistic, given Covansys's more efficient and economical approach to satisfying the contract requirements.

NCSI next protests that the agency failed to perform a proper evaluation of Covansys's technical proposal. Protest at 11-12. In making this assertion, NCSI relies primarily on its assertion, discussed above, that Covansys's proposed prices were unrealistic. Id. More specifically, however, this portion of NCSI's protest focuses on the per-unit price Covansys proposed for servicing RLTG policies, as compared to the slightly higher price it proposed to service GFIP policies.[17] NCSI asserts that the requirements related to servicing RLTG policies are "considerably greater" than the requirements related to servicing GFIP policies, Protest at 12;[18] accordingly, NCSI maintains that Covansys's proposed pricing demonstrated a lack of understanding regarding the RLTG requirements and, therefore, that it was "irrational" for the agency to evaluate Covansys's technical proposal as "acceptable." Protest at 11.

In reviewing protests alleging improper technical evaluations, our Office will not reevaluate proposals. Rather, we will examine the record to determine whether the agency's judgment was reasonable and in accord with the RFP criteria and applicable procurement statutes and regulations. See Rolf Jensen & Assocs., Inc., B-289475.2, B-289475.3, July 1, 2002, 2002 CPD ¶ 110 at 5. A protester's mere disagreement with an agency's judgment does not establish that an evaluation was unreasonable. Id.

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Report, Tab 33, at 11-54. NCSI has not challenged this portion of the agency's evaluation.

[17] For the base period, Covansys proposed the following unit prices: SFIP - $1.94; GFIP - $2.33; RLTG - $2.04. NCSI proposed the following unit prices: SFIP – [deleted]; GFIP – [deleted]; RLTG – [deleted]. Agency Report, Tab 22, at 1.

[18] As noted above, RLTG policies relate to properties that have sustained repetitive losses and the solicitation contemplates certain activities to service these policies that are not required for GFIP or SFIP policies; for example, when an RLTG claim is submitted, all claims submitted for the insured property during the preceding 3 years must be reviewed.

Here, the agency does not agree that, pursuant to Covansys's proposed approach, the resources required to service RLTG policies will be substantially greater than those required to service GFIP policies. Both NCSI and the contracting officer have, during the course of this protest, provided various tables, lists, and descriptions of the tasks each believes are required to service the various policies, including the RLTG policies. Agency Report, Contracting Officer's Statement, at 15; NCSI Comments on Agency Report, Nov. 20, 2003, attachs. A, B; Agency Rebuttal to NCSI Comments, Dec. 4, 2003; NCSI Response to Agency Rebuttal, Dec. 15, 2003. NCSI specifically describes the process related to servicing RLTG policies as encompassing "the review of large, bulky paper files that require considerable time and effort by claims examiners, and result in much higher costs," adding that "[t]he labor-intensive review cannot be automated because the examiners have no choice but to review the pre-existing paper files to perform their work." Protester's Comments on Agency Report, Nov. 20, 2003, attach. A. The agency responds that Covansys has proposed to load all claim documents, including adjuster notes, onto the Internet for access by the agency, the adjuster, and FEMA personnel, thereby eliminating multiple administrative steps, including document copying and mailing. Agency Rebuttal to NCSI Comments, Dec. 4, 2003, at 9. The agency similarly identifies various administrative procedures, including resolution of conflicting data from multiple sources in different geographic areas, that Covansys's approach will either eliminate or perform considerably more efficiently due to its extensive reliance on electronic transmissions that facilitate simultaneous real-time review of information by underwriters, agents, and adjusters. Id.

Based on our review of the record, we conclude that NCSI's assertions that the agency unreasonably rated Covansys's technical proposal as "acceptable" constitute mere disagreement with the agency's judgments and provide no basis for sustaining its protest.

Finally, NCSI protests that the agency excluded NCSI's proposal from the competitive range "based solely" on comparison of NCSI's price to a flawed IGCE.[19] NCSI's protest asserts that the COTR's estimate was low by "over $10 million," maintaining that "[w]hen NCSI's historical costs are applied to the Workload Estimates in the Solicitation, the total price [of the IGCE] is $38,098,900."[20] Protest

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[19] As discussed above, prior to issuing the solicitation, the COTR calculated an $28.5 million IGCE by applying NCSI's current contract prices to the estimated quantities of SFIP contracts projected to be in force during the contract period; the IGCE did not include costs for servicing GFIP or RLTG policies. Agency Report, Tab 2.

[20] In a footnote, NCSI's protest asserts that the [deleted] million difference between its [deleted] million price and the $38 million that NCSI maintains the IGCE should have been was attributable to "changes" to the performance work statement (PWS) requirements, and to NCSI's proposal of "a slightly increased profit." Protest at 11.

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at 11.[21] We agree that the IGCE was materially flawed.[22] Nonetheless, we reject NCSI's assertion that the agency's consideration of the IGCE was the sole--or even the primary--basis for the agency's decision to exclude NCSI's proposal from further consideration. Accordingly, we decline to sustain NCSI's protest.

In responding to this portion of the protest, the agency states that the IGCE was merely one "data point" and, as such, "only a starting point" in the ultimate decision to eliminate NCSI's proposal from the competitive range. Agency Report, Contracting Officer's Statement, at 21; Agency Rebuttal to NCSI Comments, Dec. 4, 2003, at 3. The agency explains that, more significantly than its consideration of the IGCE, the agency compared NCSI's proposed price and proposed approach to Covansys's proposed price and its proposed approach, and concluded from that comparison that NCSI's proposal had no reasonable chance of being selected for award, absent NCSI's extensive modifications to its proposed technical approach. For the reasons discussed above, we believe the record reasonably supports that determination.

In asserting that the agency's comparison of NCSI's [deleted] million price to the flawed IGCE was the sole basis for excluding its proposal, NCSI focuses on a single sentence in the agency's BEC report, which, in fact, references only a comparison to the IGCE. Agency Report, Tab 28, at 4 ("The basis for the decision is that NCSI's price is [deleted] above the IGCE"). However, in the same paragraph of this report, the agency also states, "even with extensive modification, NCSI would not have a reasonable opportunity for selection." Id. NCSI fails to acknowledge that, in addition to the IGCE reference quoted above, this same BEC report contains a detailed, substantive discussion regarding the two proposals and their substantially different technical approaches, concluding: "The Covansys offer indicates improved efficiency by the use of e[lectronic]-applications in comparison to the NCSI proposal."[23]

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The agency maintains that only minor changes were made to the PWS requirements. Agency Report, Contracting Officer's Statement, at 18.

[21] Subsequently, NCSI raised its calculation of what it asserts an appropriate IGCE would be to $43 million. NCSI Comments on Agency Report, Nov. 20, 2003.

[22] The IGCE fails to reflect the costs associated with servicing GFIP and RLTG policies; as noted above, these policies, combined, represent approximately one-third of the total estimated number of policies to be serviced under this solicitation. Agency Report, Tab 2.

[23] Preceding this conclusion, the BEC report contains the detailed substantive discussion, quoted in the decision above, comparing various technical aspects of the two proposals.

The Federal Acquisition Regulation (FAR) authorizes the contracting officer to exclude proposals from the competitive range that are not among the "most highly rated." FAR § 15.306(c)(1). Further, an agency is not generally required to include a proposal in the competitive range when, in order to be selected for award, the offeror would have to essentially rewrite its entire proposal. See, e.g., Source AV, Inc., B-234521, June 20, 1989, 89-1 CPD ¶ 578. Finally, agencies are not required to retain a proposal in the competitive range simply to avoid a competitive range of one, since conducting discussions and requesting final revised proposals from offerors with no reasonable chance of award would benefit neither the offerors nor the government. SDS Petroleum Prods., Inc., B-280430, Sept. 1, 1998, 98-2 CPD ¶ 59 at 5.

As discussed above, the report identified specific areas of performance where the agency believed that NCSI's approach, while acceptable, was materially inferior to that of Covansys from a technology, efficiency and resource standpoint. Agency Report, Tab 28, at 9. Accordingly, based on the record as a whole, including the entire BEC report, we reject NCSI's assertion that the IGCE was a determinative factor in excluding its proposal from the competitive range.[24] To the contrary, it is clear the agency reasonably concluded that, in light of the materially divergent technical approaches that were proposed, NCSI's [deleted] proposal--that necessitated a significantly higher price--had no reasonable chance of being selected for award without major revisions. We find nothing unreasonable in this determination.

The protest is denied.

Anthony H. Gamboa
General Counsel

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[24] Even if we were to conclude that the flawed IGCE played a significant role in the agency's determination, NCSI has not demonstrated that it was prejudiced. Specifically, although NCSI asserts that if the agency had included NCSI in discussions, NCSI would have lowered its price, NCSI has never suggested that it would--or could--have offered a price as low as Covansys's. To the contrary, all of NCSI's arguments in pursuing this protest reflect its position that NCSI could not perform the contract requirements at that price. In light of our conclusion, above, that the agency reasonably rated Covansys's technical proposal as "acceptable," it is clear from NCSI's own submissions that, while discussions with NCSI may well have resulted in some reduction of NCSI's price, such reduction would have been insufficient to place NCSI in line for award.