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Decision

Matter of: Knoll, Inc.; Steelcase, Inc.

File: B-294986.3; B-294986.4

Date: March 18, 2005

John A. Burkholder, Esq., McKenna Long & Aldridge LLP, for Knoll, Inc.; and Kenneth F. Oettle, Esq., Sills Cummis Epstein & Gross PC, for Steelcase, Inc., the protesters.

Charles H. Carpenter, Esq., and Laura L. Hoffman, Esq., Pepper Hamilton LLP, for Trade Products Corporation, an intervenor.

Clarence D. Long, III, Esq., and Capt. William M. Pannier, Department of the Air Force, for the agency.

Jonathan L. Kang, Esq., and Michael R. Golden, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest challenging evaluation of offerors' technical proposals is denied where record shows that agency's evaluation was reasonable.

DECISION

Knoll, Inc. and Steelcase, Inc. protest the award of a contract to Trade Products Corporation under request for proposals (RFP) No. FA2816-04-0013, issued by the Department of the Air Force for the Total Office Package and Relocation Effort (TOPRE) contract. Knoll and Steelcase each challenge the Air Force's evaluation of offerors' technical proposals, and Knoll further contends that the agency improperly awarded the contract because the current performance period of Trade Products' General Services Administration (GSA) Federal Supply Schedule (FSS) contract expires prior to the end of the TOPRE contract performance period.

We deny the protests.

BACKGROUND

The RFP anticipated award of a contract for new office furniture systems and office relocation services at the Air Force Space and Missile Systems Center at the Los

Angeles Air Force Base (LAAFB). The effort will involve moving approximately 2,900 personnel at the LAAFB to new office facilities. The contractor will be responsible for relocation management, the provision and installation of new office furniture, the move effort, and personal computer disconnect/reconnect services. The contract base performance period is for approximately 2 years, with an option to extend the total period of performance to not more than 36 months.

The RFP stated that award would be made to the offeror which provided a technically acceptable proposal that represented the "best value" to the government based on an assessment of past and present performance (recency and relevance), past performance quality, and performance confidence. RFP § M.2. Offerors were required to provide all required effort under GSA FSS contracts. RFP § L.1.

Offerors were advised as follows: "The Technical Factor Proposal will be evaluated on a Pass/Fail basis. Failure in any part or area will result in failure of the Technical Factor Proposal. Only those offers determined to pass the Technical Factor Proposal evaluation will be considered for award." RFP § M.1.1. Offerors were required to demonstrate technical acceptability based on the following criteria:

- a. The Offeror's completed SOW [statement of work]/Proposal Cross Reference Matrix will be evaluated for compliance to contract requirements. Failure to meet any requirement will result in a "Fail" for the technical proposal.
- b. The Offeror's mock-ups will be evaluated for compliance to contract requirements where the typical [furniture system] can demonstrate compliance with a contract requirement. Failure of a typical [furniture system] to demonstrate a requirement will result in a "Fail" for the technical proposal.

RFP § M.2.2.3.

The agency received proposals from Steelcase, Knoll, Trade Products, and three other offerors. The agency initially awarded the contract to Steelcase on September 29, 2004. However, the agency cancelled that award following its decision sustaining an agency-level protest filed by Trade Products. The agency conducted additional discussions with offerors and received revised proposals. The agency subsequently selected Trade Products for award on December 3. Following their respective debriefings, Steelcase and Knoll filed protests of the award with our Office.

DISCUSSION

Steelcase argues that the agency improperly determined that its proposal was technically unacceptable. Knoll and Steelcase each contend that the agency failed to recognize flaws in the Trade Products technical proposal, and thus improperly found

that firm's proposal technically acceptable. Finally, Knoll argues that the agency improperly selected Trade Products for award, despite the expiration of the current performance period of the Trade Products FSS contract prior to the time for completion of the TOPRE contract.

Where a protester challenges an agency's evaluation of a proposal's technical acceptability, our review is limited to considering whether the evaluation is reasonable and consistent with the terms of the RFP and applicable procurement statutes and regulations. National Shower Express, Inc.; Rickaby Fire Support, B-293970, B-293970.2, July 15, 2004, 2004 CPD ¶ 140 at 4-5. Clearly stated RFP technical requirements are considered material to the needs of the government, and a proposal that fails to conform to such material terms is technically unacceptable and may not form the basis for award. Id.; Outdoor Venture Corp., B-288894.2, Dec. 19, 2001, 2002 CPD ¶ 13 at 2-3. An offeror is responsible for affirmatively demonstrating the merits of its proposal and risks the rejection of its proposal if it fails to do so. HDL Research Lab, Inc., B-294959, Dec. 21, 2004, 2005 CPD ¶ 8 at 5. As with any evaluation review, our chief concern is whether the record supports the agency's conclusions. Innovative Logistics Techniques, Inc., B-275786.2, Apr. 2, 1997, 97-1 CPD ¶ 144 at 9. To the extent that the protesters disagree with the agency's reasonable evaluation, their mere disagreement with the agency's conclusions does not render the evaluation unreasonable. <u>Kathryn Huddleston & Assoc., Ltd.</u>, B-294035, July 30, 2004, 2004 CPD ¶ 142 at 2.

Evaluation of Steelcase's Technical Proposal

The agency determined that Steelcase's proposal, which proposed its "Answer" furniture system, was technically unacceptable based on its failure to meet SOW requirements in four primary areas: raising and lowering of panels without disturbing adjacent components, continuous lay-in of cables/wires, additional cabling and faceplate requirements, and maintenance of a 6-inch separation between power wiring and communications cabling. Agency Report (AR) Tab 21E, Final Steelcase Evaluations, Evaluation Notices (ENs) 001-AA, 005-AA, 006-AA, 022-AA. Although these issues were identified as separate technical deficiencies in the final evaluation, the agency's rationales for finding Steelcase technically unacceptable encompassed similar and overlapping rationales. Steelcase's protest of the agency's final evaluation of its technical proposal is primarily based on the three issues discussed below. Although we conclude that the agency's evaluation of one of these issues was unreasonable, we conclude that the agency reasonably evaluated the other two issues.

Power in the Baseline

The agency advised Steelcase during discussions that its placement of the power wiring did not comply with the requirement that power be at the "baseline," per SOW ¶ 4.3.13. AR, Tab 21C, Discussions (Nov. 18, 2004), EN 022-AA, at 1. During multiple rounds of ENs, the agency stated that Steelcase's proposal did not meet the

requirements for baseline power because the power wiring was located at the level of furniture panels, not at the baseplate level. Steelcase's final proposal offered a larger 9-inch baseplate so that the power wiring would now be covered by the baseplate, not by a furniture tile: "The taller baseplate will cover both the power line and any cables required. The power line will no longer be situated under the tile above the baseplate. It will be under the baseplate itself and thus 'at the baseline." AR, Tab 20E, Steelcase Final EN Response, at 1. Nonetheless, the agency still concluded that Steelcase's proposal was technically unacceptable: "Once [communications] cabling is installed at the baseline, as depicted, power no longer is installed at the baseline, but more than six inches above the baseline." AR, Tab 21E, Final Steelcase Evaluation, EN 022-AA, at 4.

Because the agency expressed its view during discussions that the baseline was the area below the furniture tiles, it is unclear why the agency continued to consider the power wiring to be located above the baseline when Steelcase clearly demonstrated that the power wiring was housed under the baseplate below the furniture tiles. In the absence of any further explanation from the agency, because Steelcase's final EN response demonstrated that the power wiring would be within the enlarged baseplate, we conclude that the agency unreasonably determined that Steelcase's proposal was technically unacceptable on this basis.

Separation of Power and Communications Cables

The agency advised Steelcase during discussions that its proposal did not demonstrate the required 6-inch separation between the power wiring and communications cabling, per SOW \P 4.3.3, which states: "Separation between electrical wiring and communication cabling shall be a minimum of 6 inches (12 inches is desirable)."

In its response to the second round of ENs, Steelcase provided a photograph, illustrating by means of a ruler, that the power wiring was located more than six inches from the communications cabling. AR, Tab 20D, EN Response (Nov. 20, 2004), EN 022-AA. The agency concluded based on this photo and the written EN response that the 6-inch separation requirement had been met. AR, Tab 21D, Discussions (Nov. 24, 2004), EN 022-AA, at 4. The agency also concluded, however, based on this response and photos, that the baseline power requirement, discussed above, had not been met, as the photo showed the power wiring at the bottom of one of the furniture tiles. Id. In its final evaluation, the agency determined that the new configuration containing the 9-inch baseplate did not clearly demonstrate compliance with the 6-inch separation requirement: "Offeror's newly-proposed base trim member provides a cavity that appears to allow a six-inch clearance between electric power and data/telecom cabling; the configuration is not conclusive." AR, Tab 21E, Final Steelcase Evaluation, EN 001-AA, at 4. The agency concluded that it was unable to reconcile the new photos showing a 9-inch baseplate with prior photos showing a different baseplate. Second Declaration of Agency Source Selection Evaluation Team (SSET) Chair at ¶¶ 14-20. The agency notes that the

revised photos showing the 9-inch baseplate did not contain a ruler demonstrating the separation distance and, furthermore, the agency determined that the photo shown had fewer cables than would be required in the final assembled product, thus calling into question whether Steelcase still demonstrated compliance with the 6-inch separation requirement. Contracting Officer's (CO's) Statement (Steelcase Protest) at 4.

Steelcase argues that it had addressed the 6-inch separation issue in a previous EN response and, therefore, it was not required to demonstrate compliance with this requirement in the subsequent ENs. However, all ENs clearly stated that for each subject requirement, e.g., 6-inch separation, power in the baseline, and continuous lay-in, Steelcase was required to demonstrate compliance in conjunction with other requirements. For example, the penultimate and final ENs each stated that although the 6-inch separation issue, standing alone, may have been addressed through the photos, the agency was concerned with whether the separation could be maintained in conjunction with other requirements, such as raising and lowering of panels, continuous lay-in, and special cabling requirements for 5 percent of work stations. See AR, Tab 21D, EN 006-AA, EN 022-AA. Therefore, we believe it was reasonable for the agency to evaluate whether a change in any feature had an effect on any other feature for purposes of demonstrating compliance with the SOW requirements.

Steelcase now contends that it did not change the placement of the power wires and communications cables from the configuration shown in its earlier EN responses; rather, it maintains that it merely enlarged the baseplate to cover both. However, its new photos illustrating the new baseplate and displaying less than the full complement of wires and cables led the agency to question whether the product configuration had changed. Thus, although Steelcase believed that the 6-inch separation issue had been addressed in prior ENs and that its new baseplate did not alter this previously-demonstrated compliance, it ran the risk that the photos showing the new baseplate would raise new concerns. Because the record does not clearly indicate whether the full 6-inch separation could be achieved under these circumstances, we have no basis to question the reasonableness of the agency's determination that Steelcase's proposal was technically unacceptable for this requirement.

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¹ Steelcase notes that its final EN response explained that the photos were submitted only for the purpose of illustrating the new baseplate. However, we think that the agency was reasonably concerned that the new photos called into question compliance with the 6-inch separation requirements, given the agency's repeated admonition that compliance with the SOW technical requirements, such as separation of cables/wires, had to be demonstrated in conjunction with other requirements, such as baseline power.

Continuous Lay-in

Offerors were required to demonstrate that their product design allowed continuous lay-in of cables/wires: "Stacked and tiled panel systems shall have a complete continuous 'lay-in' raceway that requires no pulling of wires between vertical and horizontal structural stacking elements." SOW \P 4.3.11. The agency issued an EN to Steelcase stating that although the continuous lay-in requirement, standing alone, may have been met, the requirement was not satisfied in conjunction with the requirement for raising and lowering of panels, per SOW \P 4.2.13, 6-inch separation between cables/wires, per SOW \P 4.3.3, and the requirement for additional equipment and cabling in up to 5 percent of workstations, per SOW \P 4.3.12. AR, Tab 21B, Discussions (Nov. 5, 2004), at EN 005.

After the first round of ENs, the agency determined that, based on Steelcase's November 9, 2004 product demonstration and its written responses to the ENs, Steelcase had demonstrated that it could achieve continuous lay-in of cables/wires in the top channel of the assembled furniture. AR, Tab 21C, Discussions (Nov. 18, 2004), EN 005-AA, at 1-2. However, the agency determined that continuous lay-in was not possible in the base. Id. at 2.

Steelcase responded to the EN by asserting that it had addressed the continuous lay-in issue in its November 9 demonstration and that its proposal clearly addressed the matter. AR, Tab 20D, Steelcase EN Response (Nov. 20, 2004), at 11-12. Steelcase explained that its product featured continuous lay-in in "top cap" pathway and base cavity. Id. This response, however, did not specifically address continuous lay-in for the base. The photo provided with the EN response primarily addressed the requirements for placement of power wiring and the 6-inch separation of the cables/wires, rather than continuous lay-in for the base. Additionally, as described by a Steelcase technical consultant, the November 9 demonstration did not address the continuous lay-in requirement for the base cavity:

I then demonstrated the routing of cables. The model consisted of two panels at right angles. Cable was already routed along several pathways in the model, including the base cavity. In the demonstration, I took a bundle of cable and draped it into the channel at the top of the panel and around the right angle formed by the two panels to show the method for lay-in in the top channel. I did not handle the cable that was already laid into the base.

Second Declaration of Steelcase Technical Consultant at ¶ 5.

The agency's evaluation of Steelcase's November 20 EN response did not directly address the lack of continuous lay-in for the base, but stated that Steelcase still failed the continuous lay-in requirement and that Steelcase's response "does not provide a change from the configuration of the previous EN." AR, Tab 21D, Discussions (Nov. 24, 2004), EN 005-AA, at 2. The agency again requested that Steelcase

"[d]emonstrate [that] you can propose a system that requires no pulling of cabling through structural members at any point of panels either vertically or horizontally" while meeting other provisions such as baseline power and 6-inch separation. <u>Id.</u>

Steelcase's final proposal response, however, still did not address the continuous lay-in requirement for the base. The response instead expressed Steelcase's view that the only issues that remained for it to address in the final EN response were the baseline power issue and an issue pertaining to the technical specifications for the panels. AR, Tab 20E, Steelcase Final EN Response, at 1. Thus, Steelcase merely restated its position that "[i]n demonstration and discussion on November 9, 2004, and in writing on November 12 and again on November 22, 2004, Steelcase explained how the company's furniture system permits cabling to be routed vertically or horizontally with no pulling of cabling through structural members at any point of the panels. The Air Force's remaining concern appears to be whether Steelcase can do this while providing power at the baseline in compliance with SOW 4.3.13." Id. at 7. Steelcase then refers the agency to its response to the baseline power EN and does not provide additional information concerning the continuous lay-in capability.

The agency's final evaluation found that "[a]s per the mock up, and as can be seen in the close-view photograph attached to Offeror's response to EN 6AA, 20 November 2004, once both base trim members are hooked onto supporting panel posts, the path through the panel is a pass-through, not a lay-in." AR, Tab 21E, Final Steelcase Evaluations, EN 006-AA, at 3. The agency thus found that the Steelcase proposal failed to meet the continuous lay-in requirement.

Steelcase now states that because it considered the continuous lay-in requirement addressed by its prior EN responses, it did not address the matter in the final response because "the limitation on the size of the EN responses to three pages per EN discourage the presentation of photos previously supplied." Steelcase Supplemental Comments, Feb. 9, 2005, at 2. An offeror that does not adequately respond to an agency's request for additional information during discussions risks having its proposal rejected as technically unacceptable, especially where, as here, the offeror had multiple opportunities to address the same agency concern. A-1 Serv. Co., Inc., B-291568, Jan. 16, 2003, 2003 CPD ¶ 27 at 4. To the extent Steelcase believes its prior answers should have satisfied the agency, its disagreement with the agency's repeated requests for information addressing the continuous lay-in requirement provides no basis to challenge the agency's determination. Poly-Pacific Techs., Inc., B-293925.2, Dec. 20, 2004, 2004 CPD ¶ 250 at 6.

We, therefore, conclude that the agency reasonably determined that Steelcase failed to address the continuous lay-in requirement. Although Steelcase has provided additional documentation and declarations from its personnel regarding the features of its furniture system as part of its filings in this protest, the record does not demonstrate that this information was adequately conveyed to the agency during discussions. Moreover, even if the information objectively established that Steelcase met the continuous lay-in requirement, the agency was not advised of this

information during the evaluation of Steelcase's proposal and thus reasonably concluded that Steelcase's proposal was technically unacceptable based on Steelcase's proposal's apparent inability to provide continuous lay-in of cable in the base cavity. An offeror is responsible for providing a full discussion of its technical approach and methodology within the four corners of its proposal and it is not unreasonable for an agency to downgrade a proposal because the proposal lacks a detailed discussion of the offeror's proposed approach. Noble Solutions, B-294393, Sept. 10, 2004, 2004 CPD \P 197 at 5.

In sum, we find that the agency reasonably determined that Steelcase's proposal was technically unacceptable. Although we find that the agency's concern regarding power in the baseline was not reasonable, the agency reasonably identified technical deficiencies regarding the 6-inch separation and the continuous lay-in requirements. As discussed above, the technical acceptability determination was made on a pass/fail basis and, consistent with the terms of the RFP, the agency could reasonably determine that failure in any section was sufficient to find Steelcase's proposal technically unacceptable. Poly-Pacific Techs., Inc., supra, at 3-4; Shilog Ltd., Inc., B-261412.4, Nov. 8, 1995, 95-2 CPD ¶ 260 at 9-10.

Evaluation of the Trade Products Technical Proposal

Knoll, whose proposal was found technically acceptable, argues that the agency improperly determined that the Trade Products proposal to provide the "Ethospace" furniture system, which is produced by Herman Miller, Inc., was technically acceptable. The agency determined that the Trade Products proposal was technically acceptable based on evaluation of the firm's written proposal, a November 10, 2004 demonstration, and a single round of ENs. We conclude that the agency's evaluation of the Trade Products proposal was reasonable.

² Both of the protest allegations regarding the Trade Products proposal raised by Knoll were also raised by Steelcase. Steelcase protested two additional grounds relating to the agency's evaluation of the Trade Products technical proposal that were not raised by Knoll. Because we conclude that the agency reasonably found Steelcase's proposal technically unacceptable, we do not address its protest of the evaluation of the Trade Products proposal, because Steelcase was not eligible for award and, therefore, is not an interested party to protest those issues. Even if we were to sustain Steelcase's protest on those issues, Steelcase would not be able to demonstrate any prejudice from such errors because there was another offeror, Knoll, whose proposal was found technically acceptable and would be in line for award ahead of Steelcase. <u>DynCorp Int'l LLC</u>, B-294232, B-294232.2, Sept. 13, 2004, 2004 CPD ¶ 187 at 9-10.

Continuous Lay-in and Access to Cables

Knoll first argues that the Trade Products design features a junction between a "spine" wall and a "wing" wall (which together form a perpendicular "off-module" configuration) that requires a 19-inch bracket at the top of the abutting panels. Knoll contends that this bracket precludes "continuous lay-in" of cables/wire, as required by SOW ¶ 4.3.11, and further precludes "easy access to cabling without dismantling the work surface or other major components," as required by SOW ¶ 4.3.9. Knoll refers to a Herman Miller catalog that describes "off modular" configurations, i.e., those where a spine/return wall is connected to a wing/off-module wall at a 90-degree angle. Knoll cites provisions of Herman Miller's catalog that state that the spine walls must be connected to both the upper and lower tiles of the wing wall, and that the upper tile therefore requires a connecting bracket. Knoll argues that this bracket prevents continuous lay-in and also precludes easy access to cabling.

The agency evaluated the continuous lay-in of the Ethospace product based on the Trade Products written proposal and product demonstration, and determined after issuing an EN to Trade Products that the requirements for continuous lay-in were met. AR, Tab 19D, Request for Final Proposal. Although the agency did not specifically address the issue raised by Knoll in the EN to Trade Products, the agency now argues, in response to Knoll's allegations, that the top of the Trade Products design may also "be configured so that connections can be made at the top of the panels," and that the panels "can also be configured so that all connections can be made [deleted]," while still meeting the continuous lay-in requirement.

Memorandum of Law at 4. Trade Products also explains that the brackets that Knoll alleges preclude continuous lay-in [deleted], and that Knoll's reference to that bracket apparently relies on an outdated version of the Herman Miller catalog. In illustrations explaining the continuous lay-in feature attached to a declaration by its president, Trade Products [deleted]. Comments of Trade Products, attach. A, exh. 6.

The agency contends that a connection between the panels at a height of 38 inches without using a top bracket is a feasible solution that would allow continuous lay-in, and the protester provides no conclusive basis to dispute this view. Furthermore, to the extent that the Trade Products proposal [deleted], as demonstrated in its comments, we do not think that such an element indisputably precludes continuous lay-in, as [deleted]. See Comments of Trade Products, attach. A, exh. 6. Based on either approach discussed by the agency, we have no basis to question the reasonableness of the agency's conclusion that the Trade Products proposal was technically acceptable.

Access to Panels

Knoll also argues that the Trade Products proposal connection between the spine and wing walls precludes the removal of spine-wall panels, as required by SOW

¶ 4.4.2: "Panel skins should have the ability to be removed, replaced and reconfigured without removing the panel or panel frame from the panel run." Knoll argues that the removal of these panels is not possible when the wing walls are attached to the spine walls, and that the wing walls must be removed prior to accessing the panels on the spine wall.

The agency did not identify any problems with the Trade Products proposal concerning this issue in its evaluation. The agency now explains that the Trade Products design allows access to the spine wall panels because "during installation and reconfiguration, off-modular wing walls, if present, are removed, and this clears the panel of any obstruction. Panel skins can then be removed, replaced, and reconfigured without removing the panels or panel frame from the panel run, which satisfies [SOW \P] 4.4.2." CO's Statement (Knoll Protest) at 4. The agency apparently interprets the removal of the wing walls as adequate to satisfy the easy access requirement.

Furthermore, Trade Products notes that its design provides a [deleted] that allows for access to spine panels without the removal of the wing walls. Declaration of the President of Trade Products at ¶ 10. The agency confirms that this feature was detailed during the Trade Products demonstration: "Panel tiles can be removed with off-module walls in place, and without removing the off module walls by use of a specific part designed for this purpose. The SSET observed this during November 8, 2004 product demonstrations by Trade Products/Herman Miller." First Declaration of SSET Chair at 3.

Although Knoll argues that the agency unreasonably relies on the position that the removal of wing walls satisfies the requirements of SOW $\P\P$ 4.4.2 and 4.3.11, we conclude that Trade Products and the agency have reasonably described the ability to remove the spine panels of its product without removal of the wing walls.

Based on our review of the record, we find no basis to challenge the reasonableness of the agency's determination that the Trade Products proposal was technically acceptable. Although Knoll challenges the agency's evaluation, we find nothing in the Trade Products proposal or the agency's evaluation that clearly demonstrates that the Trade Products design does not meet the SOW requirements.

Federal Supply Schedule Contract Issue

Knoll also contends that the award to Trade Products was improper because the Trade Products FSS contract will expire prior to the end of the performance period for the TOPRE contract. As explained above, the performance period for the TOPRE contract was anticipated at the time of award to be approximately 2 years, with an option period that could extend performance for a total not to exceed 36 months. Trade Products currently has an FSS contract for the work to be provided under the TOPRE contract, which will expire on January 31, 2006. Knoll notes that the TOPRE contract award in December 2004 would mean that the performance of the contract

would conclude by approximately December 2006, and would thus necessarily extend (with or without exercising the TOPRE contract option period) beyond the expiration of the Trade Products FSS contract.

The Trade Products FSS contract, however, is in its first of three 5-year performance periods and will be eligible for a 5-year renewal at the conclusion of the current performance period in January 2006. We solicited the views of GSA on this matter, and GSA advised that it regards FSS contracts as being valid for purposes of award of a contract utilizing a schedule as long as there are option periods that can be exercised that would cover the contract award period, and there is no indication that the FSS contract option will not be exercised. GSA Response at 2-3. We agree with GSA and, therefore, deny this ground of protest.

The protests are denied.

Anthony H. Gamboa General Counsel

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³ The record reflects that the agency consulted with a GSA FSS contracting officer regarding the Trade Products schedule contract and was informed that it was anticipated that the option on the schedule contract would be exercised, thus extending the Trade Products FSS contract through the end of the proposed contract. CO's Statement (Knoll Protest) at 3.