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Comptroller General
of the United States

United States Government Accountability Office
Washington, DC 20548

Decision

Matter of: WingGate Travel, Inc.

File: B-405007.14

Date: April 12, 2013

Josephine Ursini, Esq., for the protester.

Hattie Russell DuBois, Esq., Department of Defense, Defense Human Resources Activity, for the agency.

Kenneth Kilgour, Esq., and David A. Ashen, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest that agency's best value tradeoff decision was unreasonable is denied where the source selection authority reasonably determined that the protester's higher priced and higher technically rated proposal was not worth the price premium, notwithstanding that technical was significantly more important than price under the solicitation.

DECISION

WingGate Travel, Inc., of Overland Park, Kansas, protests the Department of Defense (DOD), Defense Human Resource Activity's award of a contract to Semont Travel, doing business as Travco, of Great Falls, Montana, under request for proposals (RFP) No. H98210-10-R-0006, for travel management services to support the commercial travel office. The protester challenges the agency's best value tradeoff decision.

We deny the protest.

BACKGROUND

The RFP, a small business set-aside, contemplated the award of up to six indefinite-quantity/indefinite-delivery, fixed-price contracts to provide travel management services to support official travel activities of authorized DOD travelers for six separate travel areas (one award per travel area) within the continental United States. WingGate's protest concerns the competition for commercial travel office services for Travel Area 2, with locations throughout the country.

Award was to be made to the responsible offeror whose proposal was most advantageous to the government considering technical, past performance, and price. Technical was more important than past performance, and when combined, they were significantly more important than price. RFP Conformed at 49.

WingGate and Travco, among other firms, submitted timely proposals. The agency rated both proposals under the past performance factor substantial confidence--the highest possible adjectival rating--with neither firm having an advantage. Award Rationale Memorandum at 53. However, while WingGate's proposal was evaluated as exceptional under the technical factor and Travco's was evaluated as acceptable, WingGate's evaluated price of \$6,150,501 was higher than Travco's price of \$5,379,808. Id. at 52.

In considering WingGate's and Travco's proposals for purposes of the best value determination, the agency noted that there was "minimal risk for unsuccessful performance" by either offeror. Award Rationale Memorandum at 53. The agency then determined that the strengths of WingGate's proposal were not significant enough to merit paying a price premium of approximately 14%. Id. Accordingly, the agency determined that Travco's proposal represented the best value to the government and made award to that firm. This protest followed.

DISCUSSION

WingGate challenges the selection of Travco's lower-rated, lower-priced proposal as reflecting the best value to the government. WingGate contends that the agency failed to follow the announced evaluation criteria when it placed too much emphasis on price in its source selection decision.

Source selection officials in negotiated procurements have broad discretion in making price/technical tradeoffs, and the extent to which one may be sacrificed for the other is governed only by the test of rationality and consistency with the solicitation's evaluation criteria. World Airways, Inc., B-402674, June 25, 2010, 2010 CPD ¶ 284 at 12. Even where technical merit is significantly more important than price, an agency may properly select a lower-priced, lower-rated proposal if the agency reasonably decides that the price premium involved in selecting a higher-rated, higher-priced proposal is not justified. Hogar Crea, Inc., B-311265, May 27, 2008, 2008 CPD ¶ 107 at 8.

The record here does not support WingGate's contention that the selection of Travco was inconsistent with the RFP's evaluation scheme. In this regard, the source selection decision reflects the source selection authority's (SSA) recognition that technical and past performance when combined were significantly more important than price. Award Rationale Memorandum at 4. The decision also includes a detailed discussion of each of WingGate's technical strengths, as well as an explanation as to why WingGate's proposal was rated exceptional under the

technical factor while Travco's was rated acceptable, one rating level lower. Id. at 10-15, 49-51, 53. Notwithstanding WingGate's recognized advantage under the technical factor, the SSA nonetheless concluded that the strengths of WingGate's proposal did not warrant payment of the 14% premium associated with that proposal. Id. at 53. Although WingGate disagrees with that judgment, it has not shown it to be unreasonable.

The protest is denied.

Susan A. Poling
General Counsel