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**United States Government Accountability Office  
Washington, DC 20548**

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## Decision

**Matter of:** Luke & Associates, Inc.

**File:** B-405348

**Date:** October 13, 2011

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Edward J. Kinberg, Esq., and R. Brent Blackburn, Esq., Kinberg & Associates, LLC, for the protester.

Marvin K. Gibbs, Esq., Jared D. Minsk, Esq., and Beatrice Foster, Esq., Department of the Air Force, for the agency.

Peter D. Verchinski, Esq., and Guy R. Pietrovito, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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### DIGEST

Protest challenging the agency's evaluation of proposals is denied where record shows that the agency's evaluation was consistent with the solicitation's evaluation methodology.

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### DECISION

Luke & Associates, Inc., of Merritt Island, Florida, protests the exclusion of its proposal from the competitive range under request for proposals (RFP) No. FA4890-10-R-0001, issued by the Department of the Air Force for various advisory and assistance support services.

We deny the protest.

### BACKGROUND

The Air Force has a requirement for various advisory and assistance support services for its Air Combat Command bases, headquarters, and other activities, which the agency has been receiving under Contracted Advisory and Assistance Services (CAAS) contracts. The RFP was issued for the fourth generation of CAAS contracts, which were stated to have a \$4.7 billion ceiling. Offerors were informed that the agency intended to award 18 fixed-price, indefinite-delivery/indefinite-quantity contracts, under which the contract holders would compete for the issuance of task orders to provide management and professional services; studies, analysis, and evaluations; and engineering and technical services. RFP § L, at 51. The RFP also

provided that, of the 18 contracts to be awarded, 12 contracts were set aside for small businesses, while 6 awards were not restricted. RFP § M-1, at 69. The protest here concerns only the full and open competition for the six unrestricted awards.

The RFP provided that awards would be made on a low price, technical acceptability basis, considering the following factors: technical, past performance, and price. RFP §§ M-1.1, M-3.1.2, at 69, 72. The RFP identified a four-step process to evaluate proposals.

Under the first step, the Air Force would rank the proposals “by the initially proposed total overall evaluated price, from lowest to highest, including all option years.” RFP § M-3.1.1.1, at 70. The RFP provided that the total overall evaluated price would consist of the offerors’ loaded hourly labor rates and other rates as proposed in a spreadsheet (“Table B-1”) that was to be returned with the proposals. RFP § M-3.4.1, at 75. Offerors were informed that, with respect to the unrestricted awards, the agency would select a minimum of the 10 lowest-priced proposals for further evaluation. RFP § M-3.1.1.1.2, at 70.

Under the second step, the agency would evaluate the technical acceptability of the proposals selected under the first step.<sup>1</sup> Offerors were informed that if any of these proposals were found to be technically unacceptable, the unacceptable proposal(s) would be replaced by the next lowest-priced proposal, until there were at least 10 technically acceptable proposals (or proposals that were reasonably susceptible of being made acceptable), or until all proposals in the full and open competition had been evaluated. RFP § M-3.1.1.2, at 70-71.

Under the third step, the agency would evaluate the past performance of offerors whose proposals had been selected in step two. The RFP provided that any proposal with less than satisfactory past performance would be replaced with the next lowest-priced, acceptable (or reasonably susceptible to being made acceptable) proposal. RFP § M-3.1.1.3, at 71.

Under the fourth step, the agency would conduct “a complete Cost/Price analysis” of the proposals remaining after step 3. RFP § M-3.1.1.4, at 71. Offerors were informed that any proposal that was evaluated “as unrealistically low (or unreasonably high) priced or has unrealistic costs” would be replaced with the next lowest-priced proposal that was evaluated as acceptable (or reasonably susceptible to being made acceptable) with satisfactory or higher past performance rating. RFP § M-3.1.1.4.2, at 72.

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<sup>1</sup> The RFP provided that technical proposals would be evaluated as either acceptable, reasonably susceptible of being made acceptable, or unacceptable. RFP § M-3.2.1, at 72.

The Air Force received 25 offers, including Luke's, in the unrestricted competition. Under the first step of the RFP's evaluation methodology, the agency assessed prices by ensuring that the pricing spreadsheet, Table B-1, did not contain inaccuracies or errors. The pricing spreadsheet automatically calculated total cost, loaded rates, and overall total for each labor rate based on historical multipliers for each labor category. Contracting Officer's Statement at 10. The agency also confirmed that the offerors had not inadvertently modified the formulas embedded in the spreadsheets. Id. at 11.

Luke submitted the highest-priced proposal of the 25 offers received. When the agency selected the 11 lowest-priced proposals for evaluation under step two, Luke's proposal was not selected. Contracting Officer's Statement at 8-9; Agency Report (AR), Tab 33, Initial Price Evaluation. The Air Force found under step two that five of the lowest-priced proposals were technically acceptable, and six of the proposals were reasonably susceptible of being made acceptable. The Air Force included these 11 lowest-priced proposals in the competitive range. AR, Tab 34, Competitive Range Memorandum, at 2-3.

Luke was informed that its proposal was not included in the competitive range, and following a debriefing, filed this protest.

## DISCUSSION

Luke complains that the agency failed to evaluate the realism of offerors' proposed prices under step one of the RFP's evaluation methodology. Comments at 1. Specifically, Luke contends that the RFP required that the agency's ranking of offers under step one be based upon an "initial assessment of [the] offerors' total overall evaluated prices."<sup>2</sup> See RFP § M-3.1.1, at 70. Luke argues that this "initial assessment" was required to include a price realism evaluation. Luke also complains that six of the proposals included in the competitive range were not technically acceptable. Id. at 2.

In reviewing protests against allegedly improper evaluations, our Office examines the record to determine whether the agency's evaluation was, in fact, in accord with the stated evaluation factors. Computer Prods., Inc., B-284702, May 24, 2000, 2000 CPD ¶ 95 at 4-5; Computer Assocs. Int'l, Inc., B-292077.3 et al., Jan. 22, 2004, 2004 CPD ¶ 163 at 6.

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<sup>2</sup> In introducing the four-step methodology that would be used to evaluate proposals, the RFP stated that the agency would "rank offers based on an initial assessment of offerors' total overall evaluated prices, followed by a full evaluation of Technical Acceptability, then Past Performance, and finally Cost/Price . . . ." RFP § M-3.1.1, at 70.

Here, the record establishes that the Air Force evaluated proposals in accordance with the RFP's announced methodology for evaluating proposals. With respect to Luke's complaint that the Air Force did not assess the realism of offerors' proposed prices in step one of its evaluation methodology, the RFP simply did not provide for such an assessment in this step. Rather, as noted above, offerors were informed that the agency would assess price realism under step four. See RFP M-3.1.1.4, at 71. Although Luke argues that RFP indicated that the "initial assessment" of the offerors' prices would include a price realism analysis, this interpretation of the solicitation is plainly inconsistent with the announced evaluation methodology.

We also find without merit Luke's complaint that the Air Force improperly included six proposals in the competitive range that were evaluated as being reasonably susceptible of being made acceptable. The RFP specifically provided that proposals that were evaluated as being reasonably susceptible of being made acceptable may be included in the evaluation of proposals under step two, three and four. See RFP §§ M-3.1.1.2.2; M-3.1.1.3; M-3.1.1.4. Luke has not identified anything in the RFP that restricts the agency's ability to include in the competitive range proposals that were evaluated as reasonably susceptible of being made acceptable.

The protest is denied.

Lynn H. Gibson  
General Counsel