



GAO

Accountability * Integrity * Reliability

**Comptroller General
of the United States**

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

DOCUMENT FOR PUBLIC RELEASE

The decision issued on the date below was subject to a GAO Protective Order. This redacted version has been approved for public release.

Decision

Matter of: DigitalSpec, LLC

File: B-405899; B-405899.2

Date: January 11, 2011

Thomas A. Coulter, Esq., LeClair Ryan PC, for the protester.
Patricia H. Wittie, Esq., Karla J. Letsche, Esq., and Daniel J. Strouse, Esq., Wittie, Letsche & Waldo, LLP, for Battle Resource Management, Inc., the intervenor.
Dawn M. Velarde, Esq., Pension Benefit Guaranty Corporation, for the agency.
Linda C. Glass, Esq., and Guy R. Pietrovito, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest challenging an agency's evaluation and selection decision is denied, where record shows that the agency's evaluation and selection decision were reasonable and consistent with the solicitation's evaluation factors.

DECISION

DigitalSpec, LLC, of Fairfax, Virginia, protests the award of a contract to Battle Resource Management, Inc. (BRMI), of Clarksville, Maryland, under request for proposals (RFP) No. PBGC01-RP-11-0003, issued by the Pension Benefit Guaranty Corporation (PBGC) for enterprise architecture support services.

We deny the protest.

BACKGROUND

The RFP, issued as a section 8(a) set-aside, provided for the award of an indefinite-delivery/indefinite-quantity (IDIQ), cost-plus-fixed-fee (CPFF) contract for software engineering and infrastructure engineering support services for a base year and 3 option years.¹ RFP at 3. Offerors were informed that concurrent with the

¹ Section 8(a) of the Small Business Act, 15 U.S.C. § 637(a) (2006), authorizes the Small Business Administration to enter into contracts with government agencies and
(continued...)

award of the contract the agency anticipated issuing a CPFF task order with a 1-year performance period. RFP amend. 9, at 20.

The solicitation provided for award of the IDIQ contract on a best value basis considering the following factors: past performance; corporate experience; qualifications of key personnel; technical approach; and management approach.² RFP amend. 9, at 13. Offerors were informed that the procurement would be conducted in two phases. Under phase I, offerors' technical proposals would be evaluated under the past performance and corporate experience factors. Id. at 16-17. Offerors whose proposals were evaluated as acceptable or better would be invited to provide an oral presentation, after which proposals would be evaluated under the qualification of key personnel, technical approach, and management approach factors. Id. at 17-20. In this regard, the RFP informed offerors that, under phase II, the agency would evaluate proposals for issuance of the task order under the past performance, corporate experience, and technical approach factors. See id. at 13.

With respect to the weight to be assigned to the evaluation factors and cost/price in the agency's selection decision, the RFP provided that the phase II evaluation factors were of equal importance and combined were significantly more important than cost/price. Id. The RFP also stated that the selection decision would be based upon the offerors' ratings under all of the evaluation factors. Id.

Instructions were provided for the preparation of proposals under each of the evaluation factors. With respect to the past performance factor, offerors were instructed to address their relevant past performance, including meeting delivery dates and schedules the same as, or substantially similar to, those required by the RFP. Id. at 6-7. The RFP required offerors to provide three past performance references for work that was relevant to the IDIQ contract, see id. at 7, and two past performance references for work that was relevant to the task order work. Id. at 21. In this regard, the RFP required offerors to identify the dollar amount and length of referenced contracts. Id. at 7.

(...continued)

to arrange for the performance of such contracts by letting subcontracts to socially and economically disadvantaged small business concerns.

² The RFP identified the following management approach subfactors, which were stated to be of equal weight: start up and phase out plan, quality control plan, and addressing problems and subcontractor performance. RFP amend. 9, at 20.

The agency further addressed past performance references in the following question and answer:

The past performance section requires a minimum of 3 references. Must all 3 references come from the prime offeror, or may offerors submit references for major subcontractors and/or joint venture partners?

IDIQ – A minimum of 3 past performance references is required. A minimum of 3 past performances are required of the prime contractor or 2 past performance references from the prime and 1 past performance from the sub-contractor, if any.

Task Order 1 – At least 2 past performance references are required. The 2 past performance references for Task Order 1 can be from the same reference contact information submitted for the IDIQ past performance reference submission, if relevant.

RFP amend. 6, at 16.

Offerors were also required to describe their corporate experience, and the experience of their major subcontractors and/or joint venture partners, if any, that demonstrates experience and expertise for this requirement. RFP amend. 9, at 7.

As is relevant here, with respect to the technical approach factor, offerors were instructed to describe their technical method and approach to performing the requirement. Id. at 10, 19. The RFP provided that the agency would evaluate whether an offeror's method and approach to meeting the solicitation requirements provided the government with a high level of confidence of successful delivery within the required schedule. Id. at 19.

With respect to the management approach factor, offerors were instructed to provide detailed information demonstrating effective and efficient project management and supervision. Id. at 11. This information was stated to include addressing the offeror's proposed start up and phase out plan; quality control plan; plans for resolving problems and subcontractor performance; and continuity of operations. Id. at 11, 12.

The agency received 16 proposals, including DigitalSpec's and BRMI's. DigitalSpec proposed to partner with two large business concerns—[Deleted]—to perform the contract. The offerors' proposals were evaluated under phase I by the agency's technical evaluation panel (TEP), which found that the proposals of five offerors, including DigitalSpec and BRMI, had received acceptable or higher ratings in the

past performance and corporate experience factors.³ PBGC included these offers in the competitive range and conducted written discussions. Following the receipt of the offerors' discussion responses, the agency received oral presentations from the five offerors. Following oral presentations, the agency conducted another round of written discussions.⁴ Contracting Officer's Statement at 6.

BRMI's and DigitalSpec's final revised proposals were evaluated as follows:⁵

	BRMI	DigitalSpec
PHASE I		
IDIQ Past Performance	Low Risk	High Risk
IDIQ Corporate Experience	Excellent	Acceptable
Task Order Past Performance	Low Risk	High Risk
Task Order Corporate Experience	Excellent	Acceptable
OVERALL PHASE I SCORE	EXCELLENT/ LOW RISK	ACCEPTABLE/ HIGH RISK
PHASE II		
IDIQ Key Personnel	Excellent	Marginal
IDIQ Technical Approach	Excellent	Marginal
IDIQ Management Approach	Good	Excellent
Task Order Technical Approach	Excellent	Marginal
OVERALL PHASE II SCORE	EXCELLENT	MARGINAL
Overall IDIQ Technical Score	Excellent	Marginal
Overall Task Order Technical Score	Excellent	Marginal
OVERALL TECHNICAL SCORE	EXCELLENT	MARGINAL
IDIQ Cost	\$5.7 million	\$4.1 million
Task Order Cost	\$1.2 million	\$720 thousand

AR, Tab C.14, Source Selection Decision, at 4, attach, 3, Final Ratings Chart.

³ DigitalSpec's proposal received an overall acceptable/high risk rating, and BRMI's proposal received an overall excellent/low risk under phase I. Agency Report (AR) Tab C.9, TEP Phase I Consensus Report, at 37; Contracting Officer's Statement at 5.

⁴ The protester was informed, among other things, that it had weaknesses in the following areas: IDIQ qualifications of key personnel; IDIQ technical approach; IDIQ management approach, and task order technical approach. See AR, Tab D.5, Discussion Letter to DigitalSpec.

⁵ The offerors' final overall scores reflected the agency's evaluation of the firms' proposals under phases I and II.

DigitalSpec's lower proposal ratings reflected the agency's judgment that, although the protester's proposal presented some strengths, it had a number of weaknesses. See AR, Tab C.13, TEP Final Ratings, at 57-61. For example, the agency noted DigitalSpec's proposal of [Deleted] as subcontractors, which the agency found had extensive corporate experience, but found that DigitalSpec's own past performance was "sub-par." Id. at 13. The TET found that of the two contracts referenced for DigitalSpec's own past performance, neither contract was of similar size to the work sought here. Id.; see also Legal Memorandum at 6-7. Also, with respect to one of the contracts identified for DigitalSpec's past performance, the TET was unable to obtain reference information from DigitalSpec's identified point of contact. Moreover, the TEP was concerned that, although the protester's subcontractors had extensive experience, the agency may not benefit from this experience under DigitalSpec's proposed technical approach. Id. at 58. Among other weaknesses noted by the TEP was that the protester's key personnel, although having substantial business and information technology experience, lacked relevant enterprise architecture experience, and that the protester's inability to answer questions at the oral presentation confirmed the firm's lack of relevant technical expertise. See id. at 57-59; Contracting Officer's Statement at 6.

In comparison, BRMI's proposal was evaluated as excellent overall, reflecting the evaluators' judgment that the awardee's proposal presented numerous strengths, and a few weaknesses. See AR, Tab C.13, TEP Final Ratings, at 43-46. Among other things, the evaluators noted BRMI's proposal of key personnel with extensive enterprise architecture experience and demonstrated outstanding enterprise architecture expertise. Id.

The TEP's ratings were reviewed by the source selection authority (SSA), who concluded that BRMI's proposal represented the best value to the agency. AR, Tab C.14, Source Selection Decision, at 6. Specifically, the SSA found that BRMI demonstrated a better understanding of the enterprise architecture requirement than any other offeror; provided a staffing level that demonstrated a solid understanding of the level of effort necessary to perform the work; and demonstrated the most practical and logical way to approach and implement the enterprise architecture program. Id. The SSA recognized that BRMI's overall cost was considerably higher than the protester's, but concluded that BRMI's technical superiority outweighed DigitalSpec's lower evaluated cost. Id. at 7.

Award was made to BRMI, and, following a debriefing, DigitalSpec protested to our Office.

DISCUSSION

DigitalSpec challenges the evaluation on numerous grounds, arguing that its proposal should have been rated higher and that BRMI's proposal should have been

rated lower. The protester argues that its proposal should have been selected for award as reflecting the best value to the agency.

Where a protester challenges an agency's technical evaluation, including past performance, this Office will review the evaluation record to determine whether the agency's judgments were reasonable and consistent with the stated evaluation criteria and applicable procurement statutes and regulations. Rome Research Corp., B-291162, Nov. 20, 2002, 2002 CPD ¶ 209 at 4. A protester's mere disagreement with an agency's judgments does not render the evaluation unreasonable. Id. Although we do not address all of DigitalSpec's numerous arguments, we have considered all of them and find that they provide no basis to object to the evaluation or award.

Past Performance Factor

The protester complains that the agency in its evaluation of DigitalSpec's past performance improperly took into consideration the size and scope of the firm's referenced contracts.⁶ DigitalSpec argues that the RFP did not provide for consideration of the size and scope of contracts that the firm identified for its past performance. Protester's Comments at 8-9. This argument is without merit.

The protester provided three past performance references for the IDIQ contract. Protester's Proposal at 4-18. Two of these references were for work performed by the protester but were each valued at only \$250,000. The other reference was for a contract performed by its subcontractor, [Deleted], which was valued at \$117.3 million. Id. For the task order, the protester referenced two contracts, both performed by [Deleted] and valued at \$6.8 million and \$55.9 million. Id. The agency concluded that the two contracts identified for DigitalSpec's own performance were not relevant, because they were not of the similar size and scope to the work sought here. Also, the agency was unable to obtain reference information for one of these contracts.

⁶ In its initial protest, DigitalSpec complained that PBGC gave little or no weight to the experience of the protester's subcontractors. Protest at 22. DigitalSpec abandoned this argument in its comments. In any event, the record simply does not support this argument. Although the TEP noted the protester's own sub-par past performance, the evaluators recognized that the protester's subcontractors had extensive and relevant experience at PBGC. See AR, Tab C.13, TEP Phase II Consensus Report, at 13-14. The TEP specifically considered as a strength the depth of experience of the protester's team. Id. In fact, the agency states that it was on the basis of the experience of the protester's subcontractors that the protester's proposal was included in the competitive range. Legal Memorandum at 4.

Here, the RFP instructed offerors to provide three references for the IDIQ contract that could provide information regarding the performance of the offeror's firm during the last three years of work of a similar nature to that described in the statement of work. The offerors were specifically instructed to identify the dollar amount and length of each contract referenced. See RFP amend. 9, at 7. We find that the solicitation reasonably apprised offerors that the agency would consider the size and scope of the referenced contracts in its past performance evaluation.

Moreover, an agency in its evaluation of proposals is permitted to take into account specific, albeit not expressly identified, matters that are logically encompassed by, or related to, the stated evaluation criteria. Independence Constr., Inc., B-292052, May 19, 2003, 2003 CPD ¶ 105 at 4. We have found that size is a proper consideration in determining whether an offeror has experience and a record of past performance under similar contracts. See Molina Eng'g, Ltd./Tri-J Indus., Inc. Joint Venture, B-284895, May 22, 2000, 2000 CPD ¶ 86 at 7; Protection Total/Magnum Sec., S.A., B-278129.4, May 12, 1998, 98-1 CPD ¶ 137 at 6.

The record supports the agency's judgment that the two contracts referenced for DigitalSpec's own performance were not of similar size and scope to the work sought here. Moreover with respect to one of the contracts, the agency was unable to obtain any reference information from the protester's identified point of contact.⁷ We find no basis to object to the agency's evaluation of DigitalSpec's past performance with respect to the IDIQ contract as high risk, given the protester's failure to provide three references for relevant work.⁸

Corporate Experience Factor

The protester also disagrees with the agency's evaluation of its proposal as acceptable under the corporate experience factor, under which the PBGC determined that the protester had not demonstrated "relevant, firsthand experience"

⁷ The protester states that it does not believe that the agency attempted to contact its reference. There is no support for this contention in the record. In any event, as explained above, this work was not relevant.

⁸ DigitalSpec also challenged the high risk rating assigned for its past performance with respect to the task order, arguing that the RFP did not require under the task order portion of the solicitation that references be provided for both the prime contractors and subcontractors. Protest at 15. We need not address this argument, because the record shows no reasonable possibility that DigitalSpec's overall high risk rating for past performance would change, given DigitalSpec's high risk rating under the IDIQ contract portion where the protester failed to identify any relevant work for its own performance.

and lacked “holistic [enterprise architecture] experience.” Protester’s Comments at 10. The protester maintains that it adequately demonstrated its knowledge and experience in its proposal and in the resumes of its key personnel. Id. at 12.

The record does not provide any support for DigitalSpec’s contention that it was entitled to a higher evaluation rating under the corporate experience factor.⁹ The solicitation repeatedly instructed offerors to describe their own corporate experience and the experience of its major subcontractors. See, e.g., RFP amend. 9, at 7. Here, the protester was given credit for the experience of its key personnel and subcontractors but the PBGC was concerned that the protester’s proposal did not demonstrate experience and resources in a holistic enterprise architecture role in a small agency, such as the PBGC. See AR, Tab C.13, TEP Final Ratings, at 13. Although DigitalSpec contends that it should have received more evaluation credit for the experience of its subcontractors, this disagreement does not establish that the agency’s evaluation was unreasonable. In this regard, we have recognized that an agency has discretion in determining the significance of, and the weight to be assigned to, a subcontractor’s experience. See Loral Sys. Co., B-270755, Apr. 17, 1996, 96-1 CPD ¶ 241 at 5.

Other Evaluation Challenges

DigitalSpec also contended that its proposal should have been rated higher than marginal under the technical approach and qualification of key personnel factors.¹⁰ We have reviewed the record (and considered the protester’s arguments) and find no basis to conclude that DigitalSpec’s proposal should have received a higher evaluation rating.

For example, DigitalSpec complains that its proposal was rated marginal under the technical approach factor, but received an excellent rating under the management approach factor. The protester contends that the “disparity” in the two ratings shows that the agency’s marginal rating under the technical approach factor was irrational. See Protester’s Comments at 14. We disagree. Given that the technical approach

⁹ The record also does not support DigitalSpec’s challenge to the evaluation of BRMI’s proposal under the corporate experience factor. The protester complains that the lack of holistic enterprise architecture experience was identified as weakness in both the protester’s and BRMI’s proposals, but that BRMI’s proposal was rated excellent under this factor. Although this same weakness was noted in both firms’ proposals, the agency found that BRMI’s proposal contained significantly more strengths than the protester’s, which supported the agency’s higher rating.

¹⁰ A marginal rating was defined by the RFP to reflect a proposal that satisfied all of the agency’s requirements but which provides minimal detail, understanding or explanation. RFP amend. 9, at 15.

and management approach factors were identified as separate and distinct factors, it would not be unreasonable per se for an offeror to receive differing ratings under the two factors. Here, the PBGC noted a number of weaknesses in DigitalSpec's proposal under the technical approach factor, including that the firm did not show that its technical approach would make use of its subcontractor's enterprise architecture experience and did not describe how it would implement its approach. Moreover, the TET expressed concern that DigitalSpec responded very poorly to questions about its technical approach during the oral presentation, which caused the evaluators to question the protester's technical understanding. See AR, Tab C.13, TET Final Ratings, at 58-59, 60-61. DigitalSpec does not show that the agency's judgment in this regard was unreasonable. We therefore find no basis to object to the rating assigned under this factor.¹¹

Selection Decision

The protester argues that the SSA's selection decision was not reasonable and does not show that award to the higher-cost BRMI was justified. See Protester's Comments at 19.

We find that the SSA's best value tradeoff analysis is well documented and supported by the record. The SSA in his selection decision considered the firms' ratings and evaluated strengths and weaknesses in determining that BRMI's proposal was technically superior to DigitalSpec's. In this regard, the SSA recognized that BRMI's proposal was the only one to be rated as excellent overall by all evaluators. See AR, Tab C.14, Source Selection Decision, at 6. The SSA also recognized that BRMI's proposal was significantly higher cost than the protester's, but concluded that BRMI's technical superiority was worth the additional cost. See

¹¹ The protester argues that the agency's independent government cost estimate was unreasonable. The estimate, however, was not used in the evaluation of offers. See AR, Tab C.14, Source Selection Decision, at 4. DigitalSpec also contends that the agency failed to conduct meaningful discussions because the agency allegedly failed to consider the information provided by the protester in response to the discussions questions. See Protester's Comments at 34. Whether an agency conducted meaningful discussions, however, concerns whether the agency identified proposal deficiencies and significant weaknesses that could reasonably be addressed in a manner to materially enhance the offeror's potential for receiving award. PAI Corp., B-298349, Aug. 18, 2006, 2006 CPD ¶ 124 at 8. The record shows that DigitalSpec was informed of the evaluated weaknesses in its proposal.

id. at 7. We find the SSA's cost/technical tradeoff assessment to be reasonable and consistent with the RFP's evaluation scheme.

The protest is denied.

Lynn H. Gibson
General Counsel