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

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## Decision

**Matter of:** HCI Integrated Solutions

**File:** B-409040.3

**Date:** May 21, 2014

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GAO, participated in the preparation of the decision.

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### DIGEST

Protest that agency improperly eliminated proposal from competition is denied where agency reasonably evaluated proposal as unacceptable as a result of an inadequate staffing plan.

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### DECISION

HCI Integrated Solutions of Fairfax, Virginia, protests the Department of the Army's rejection of the proposal it submitted in response to request for proposals (RFP) No. W52P1J-12-R-0117, for logistics support services at the Presidio of Monterey, California. HCI asserts that the agency unreasonably evaluated its proposal.

We deny the protest.

### BACKGROUND

The Presidio of Monterey is home to numerous military units, including the Defense Language Institute, the Army's 229th Military Intelligence Battalion, the Air Force's 517th Training Group, the Navy Center for Information Dominance, and the Marine Corps Detachment, Presidio of Monterey. Performance Work Statement (PWS) at 1. The required logistics support services include three categories of logistics activities (maintenance, supply, and transportation), and deployment preparation for the tenants at the Presidio. PWS at § 1.1. The PWS described the different functions that comprised each activity and the tasks that the contractor was responsible for performing under each function. As relevant to this protest, the specific functions to be performed by the contractor included support for the consolidated installation property book office (CIPBO), PWS § 5.15 et seq., a

function of the supply activity; and support for personal property operations, PWS § 5.20 et seq., a function of the transportation activity.

Award was to be made to the lowest-priced, technically acceptable offeror, based on an evaluation of price and the following technical elements: mission capability; mission essential contractor services; and staffing. RFP §§ M.1.2, M.4. An unacceptable rating under any element was to result in an unacceptable rating for the overall technical factor. RFP § M.4.1.

With respect to staffing, the solicitation included a Service Contract Act (SCA) wage determination with relevant labor categories. Offerors were required to propose the labor categories needed to support the various functions and responsibilities listed in the PWS from either the Service Contract Act categories or exempt personnel. RFP § L.5.2.1.3. The solicitation provided the minimum number of productive hours an offeror was required to propose for each function. RFP § L.5.2.1; RFP ex. J. The agency evaluated staffing by considering whether the offeror's proposed approach, that is, the selected labor categories and the number of full time equivalents (FTE) for each function, presented a labor mix that would ensure successful performance of all PWS requirements and offered the minimum number of productive hours required by the solicitation. RFP § M.4.1.3.

HCI was evaluated as unacceptable under the staffing element because the agency concluded that the labor mix HCI proposed to perform both the property book and personal property functions were not adequate to ensure successful performance of those functions. Based on this unacceptable rating, HCI's proposal was rated unacceptable under the technical factor and eliminated from the competition. Agency Report (AR) at 3-4. HCI protests the evaluation of its proposal.

## DISCUSSION

HCI challenges the agency determination that the labor mix it proposed to support the property book and personal property functions were not adequate and thus unacceptable. In this regard, the evaluation of an offeror's proposal is a matter within the agency's discretion. IPlus, Inc., B-298020, B-298020.2, June 5, 2006, 2006 CPD ¶ 90 at 7, 13. In reviewing protests of an agency's evaluation of offerors' technical proposals, our Office does not reevaluate proposals; rather, we review the evaluation to determine if it was reasonable, and consistent with the solicitation's evaluation scheme, as well as applicable procurement statutes and regulations. Wackenhut Servs., Inc., B-400240, B-400240.2, Sept. 10, 2008, 2008 CPD ¶ 184 at 6. Here, we have reviewed all of the arguments raised by HCI and find that the agency reasonably evaluated its proposal. We discuss the property book function below.

The property book officer serves as the point of contact and is responsible for all property accountability transactions for the organizations belonging to the U.S. Army Garrison, Presidio of Monterey and the Defense Language Institute. Supplemental Agency Report I (SAR I) at 2. The property book function is detailed in PWS sections 5.15.5.1 through 5.15.9. With respect to this function, the contractor is required to: manage the Installation and Table of Distribution and Allowance Property Book, PWS § 5.15.1; manage and operate the information systems, PWS § 5.15.1.2; maintain the Federal Cataloging System, the Management Control Number system, and the Department of Defense Activity Address Directory, PWS § 5.15.2; provide pickup/delivery and redistribution of property for installation property book, PWS § 5.15.3; inform the property book officer when there is a change of command request, change of hand receipt, or when otherwise deemed necessary, PWS § 5.15.4; provide customer service to the primary hand receipt holder and brief all incoming and outgoing receipt holders, PWS § 5.15.5; distribute inventories, § 5.15.6; support the Army Enterprise Systems Integration Program (AESIP) system, PWS § 5.15.6.1; perform annual and semi-annual unique item tracking with the department of the Army Central Registry, PWS § 5.15.7; receive, issue, account, ship, and report weapons on temporary loans, PWS § 5.15.8; and receive, store, and issue total package fielding equipment. PWS § 5.15.9.

In performing the property book function, offerors were required to review the standard operating procedure (SOP) for the function, and to follow various regulations, pamphlets, and manuals that were incorporated into the PWS and SOP. These regulations contain the instructions and guidance to ensure that the needs of each property book office customer are fulfilled in accordance with the requirements applicable to that customer. See RFP, exh. AX; SAR I at 3.

HCI proposed the following FTEs for the property book function: **[DELETED]**. The evaluators concluded that while HCI proposed the minimum number of FTEs required by the solicitation for this function, its proposed labor mix was not adequate. Specifically, the evaluators found that too many of HCI's hours were allocated to the **[DELETED]** which, as defined by the SCA Directory of Occupations, would not be capable of analyzing, interpreting, and executing independent actions related to the installation property book. AR at 3.

HCI argues that the solicitation does not require employees performing the property book function to analyze, interpret, and execute independent actions related to the property book function. In this regard, HCI asserts that the solicitation provided offerors with broad discretion to staff the contract with an acceptable approach.

HCI's position is without merit. The issue is not whether the solicitation explicitly stated that staff must analyze, interpret and execute independent actions related to the property book function. Rather, the issue is whether the duties to be performed under the solicitation required staff with these skills. In this regard, the solicitation specifically provided that the agency would evaluate the proposed staffing to ensure

that the offeror's proposed labor mix would be capable of performing the requirements of the PWS. Thus, if these skills are necessary to performing the requirements of the PWS, the agency could reasonably evaluate whether the proposed staff had these skills. In this regard, as the agency notes, PWS § 5.15.5 requires the contractor to provide customer support to the Primary Hand Receipt Holder (PHRH) and brief all incoming and outgoing PHRH's in accordance with Army Regulation (AR) 710-2. PWS § 5.15.5. Similarly, to the extent PWS § 5.15.5 requires contractors to post documents, they must be posted in accordance with AR 710-2, Department of the Army Pamphlet (DA PAM) 710-2-1, DA PAM 710-2-2, and Army Material Command (AMC) guidance. *Id.* These regulations and pamphlets provide specific policy for the accountability and assignment of responsibility for property issued to a using unit. Thus, we find reasonable the agency's position that this function required the contractor's personnel to understand, interpret and apply the cited regulations to customers from various services and holding various ranks. SAR I at 3.<sup>1</sup>

HCI next asserts that, in any case, the agency unreasonably determined that a **[DELETED]** is not capable of analyzing and interpreting information and making independent judgments. In this regard, the labor category **[DELETED]** is defined by the Service Contract Act Directory of Occupations as follows:

This position requires the application of experience and judgment in selecting procedures to be followed and searching for, interpreting, selecting or coding items to be entered from a variety of sources. . . . Excluded are operators above level II using the key entry controls to access, read, and evaluate the substance of specific records to take

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<sup>1</sup> HCI asserts that the agency's evaluation of its proposal does not reference the SOP, Army regulations, or other documents. HCI also asserts that only the introductory paragraphs of the PWS incorporate these references. However, the PWS itself in specific provisions incorporates references to these authorities, including Army Regulations and pamphlets that instruct how the work is to be performed. For example, PWS sections 5.15.1, 5.15.5, and 5.15.9, require the contractor to perform the functions "in accordance with AR 710-2." Further, there is nothing improper in an agency furnishing additional detail in its agency report to explain the basis of the contemporaneous evaluation. See NWT, Inc.; PharmChem Labs., Inc., B-280988, B-280988.2, Dec. 17, 1998, 98-2 CPD ¶ 158 at 16 (post-protest explanations that provide a detailed rationale for contemporaneous conclusions, as is the case here, simply fill in previously unrecorded details, and will generally be considered in our review of the rationality of selection decisions, so long as those explanations are credible and consistent with the contemporaneous record).

substantive actions, or to make entries requiring a similar level of knowledge.

SCA Directory of Occupations (Fifth Edition), Agency Report, Tab 26. HCI notes that this definition allows for the “application of experience and judgment in selecting procedures to be followed and searching for, interpreting, selecting or coding items to be entered from a variety of documented sources.” *Id.* According to HCI, this language demonstrates that a [DELETED] can analyze and interpret information and exercise independent judgment.

We find the evaluation in this regard to be reasonable. As noted by the agency, the language HCI quotes refers to selecting and coding items. The agency points out, however, that the definition explicitly excludes evaluating the substance of specific records to take substantive actions. AR at 9. In this regard, the protester acknowledges that the primary function of a [DELETED] is record keeping and data entry. Protester Comments, April 16 at 5. The agency, however, is not seeking someone to interpret data to be entered. It is seeking someone who can interpret regulations that need to be applied based on, among other considerations, the rank of the personnel and the relevant military organization. SAR I at 3. We therefore find that the agency reasonably concluded that the [DELETED] generally does not have the skill set needed to analyze and interpret information and to act independently in connection with performance of the property book function.

Finally, HCI challenges the agency’s conclusion that HCI did not propose a sufficient number of hours for the [DELETED] to perform the property book function. According to HCI, it allocated a sufficient number of hours for the [DELETED] to perform the higher level tasks, with the [DELETED] available to perform data entry and similar tasks. In response, the Army explains that HCI proposed a total of [DELETED] productive hours to perform the property book function--[DELETED] -- only slightly more than the [DELETED] hour minimum set by the solicitation for the property book function. SAR I at 3-5. Given the agency’s reasonable determination (as discussed above) that the property book function generally required the skills and knowledge offered by the higher level [DELETED] personnel, we find reasonable the agency position that even if some data entry or similar work could be performed by [DELETED] , there simply were too few higher-level hours in HCI’s proposed approach to ensure satisfactory performance of the overall property book function.

In sum, HCI has not shown to be unreasonable the agency determination that its approach to staffing the property book function was unacceptable. Given our finding in this regard, we need not address HCI’s challenge to the determination that its approach to staffing the personal property function also was unacceptable. See ALOPS, B-404919, June 21, 2011, 2011 CPD ¶ 122 at 4.

The protest is denied.

Susan A. Poling  
General Counsel