



United States Government Accountability Office
Washington, DC 20548

Decision

Matter of: RADeCO, Inc.

File: B-410632

Date: December 15, 2014

Keith Lovendale, RADeCO, Inc., the protester.
James J. McCullough, Esq., and Samuel W. Jack, Esq., Fried, Frank, Harris, Shriver & Jacobson LLP, for Spectral Labs, Inc., the intervenor.
Valerie G.S. Hirsch, Esq., Department of the Navy, for the agency.
Paul N. Wengert, Esq., and Tania Calhoun, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest that the agency's evaluation of the awardee's proposal was unreasonable is denied where the record shows that the evaluation was reasonable and consistent with the solicitation.

DECISION

RADeCO, Inc., of Plainfield, Connecticut, a small business, protests the award of a contract to Spectral Labs, Inc., of San Diego, California, by the Department of the Navy, Naval Sea Systems Command, under request for proposals (RFP) No. N65540-14-R-5014, to upgrade and refurbish air particle sampling equipment. RADeCO argues that the Navy should have rejected Spectral's proposal as technically unacceptable.¹ Protest at 1.

We deny the protest.

¹ In preparing this decision, we reviewed proprietary and source selection information that the Navy submitted only to our Office, including the proposal submitted by Spectral, and the evaluation of it by the Navy. Since RADeCO was not represented by counsel who could apply for admission under our protective order process, our discussion of those parts of the protest record is necessarily general. RADeCO submitted comments based on a redacted copy of Spectral's proposal.

BACKGROUND

The Navy issued the RFP on June 23, 2014, as a small business set-aside, seeking proposals to upgrade and refurbish the Navy's HD-732C/UD Air Particle Samplers.² RFP at 15. The RFP specified that the contractor would refurbish and upgrade 240 units annually for five years, including an initial lot of three units, to be used for first article testing. Id. at 2-7. Among other things, the RFP required that the contractor's proposed upgrade "shall not degrade, but rather significantly improve the existing functionality" of the units. Id. at 15.

The RFP provided that proposals would be assessed under three factors: technical approach, corporate experience and facilities,³ and past performance. The RFP further specified that award would be made to the firm that submitted the lowest-priced technically acceptable proposal. RFP at 67.

With respect to price, the RFP requested fixed prices for 11 contract line items, and an estimated price for a twelfth line item for recommended spare parts. RFP at 12; RFP amend. 3 at 2-3; RFP attachs. 1-4 (spare part lists). The RFP provided that price would be evaluated based on a "total of all proposed costs." RFP at 70. The RFP also provided for the Navy to assess the most probable cost for each offeror, and make a cost realism assessment. RFP at 65-66, 69-70. Notwithstanding the reference to cost, the Navy describes the resulting contract as a fixed-price indefinite-delivery/indefinite-quantity contract. Combined Contracting Officer's Statement and Agency Report (AR) at 3.

On July 23, the Navy received initial proposals from three firms, including RADeCO and Spectral.⁴ RADeCO proposed two solutions to the Navy's requirement, which resulted in two different price schedules. After an initial evaluation, the Navy held discussions on August 21, and also issued amendment 3 to the RFP (which requested additional estimated prices for spare parts). On September 15, the Navy closed discussions by requesting that both RADeCO and Spectral submit final proposal revisions (FPR), to be due the following day. Both RADeCO and Spectral submitted timely responses. AR, Tab 6, Discussions to RADeCO and Response; AR, Tab 5, Business Clearance Memorandum, at 12.

² The units are used to monitor airborne levels of radioactive contaminants in areas of concern for radiation contamination. RFP at 15. Following the work, the units will be redesignated as HD-732D/UD. Id.

³ The corporate experience and facilities factor had two subfactors: corporate experience, and facilities. Id.

⁴ The third proposal, evaluated as technically unacceptable, is not relevant here.

The Navy's evaluators determined that RADeCO's FPR was technically acceptable (for both the basic and alternate solutions), and that Spectral's FPR was technically acceptable. Among other things, the evaluation noted that Spectral had provided design models for an "upgraded production unit," and its proposal was acceptable to each of the evaluators.⁵ AR, Tab 8, Technical Evaluation Report, at 7-9 (evaluator worksheets for Spectral). Based on the evaluators' conclusions, the contracting officer determined that both Spectral and RADeCO submitted technically acceptable proposals, had favorable past performance, and had facilities that were suited to perform the work. AR, Tab 5, Business Clearance Memorandum, at 9.

The Navy then analyzed Spectral's price and both of RADeCO's prices, comparing them at the line-item level to each other and to the government estimate. Id. at 9-10, 14-15. The Navy noted that Spectral's evaluated price of \$1.6 million was lower than either of RADeCO's prices, and also significantly lower than the government estimate. Id. at 14. The Navy then considered its experience with Spectral. The Navy found that the firm had a history of successful performance, which included a contract that had required the firm to refresh the design of similar equipment, and which thus allayed any concern that Spectral's low price might have resulted from an undetected mistake. Id. at 16. Since the price analysis, when combined with the firm's experience, buttressed Spectral's claim that it could perform as proposed, and its proposal was evaluated as technically acceptable, the contracting officer awarded the contract to Spectral on September 30. AR at 7. This protest followed.

ANALYSIS

RADeCO argues that Spectral proposed to make only insignificant improvements and otherwise merely extended the lifespan of the units, and thus failed to meet the RFP requirement of making significant improvements to functionality.⁶ Protest at 1.

⁵ As noted above, Spectral's proposal was submitted to our Office for review as part of the record in this protest. Our review confirms that Spectral's proposal identified several specific aspects of the firm's proposed upgrade approach, and explained how each upgrade would improve the functionality of the units. E.g., AR, Tab 10, Spectral Proposal, at 2-3.

⁶ RADeCO filed a supplemental protest on October 16, making more specific claims that Spectral's proposal could not have been as good as RADeCO's. We address them to the extent that they are within the scope of the timely October 9 protest. We also note that the RFP provided for award to be made to the firm submitting the lowest-priced technically acceptable proposal. Thus, even though RADeCO's proposed approach may have provided more significant improvements to the air sampling units, that argument does not provide a basis to sustain its protest because the RFP did not provide for the Navy to make a tradeoff between the relative quality of the proposals and their prices.

RADeCO maintains that Spectral's proposal shows that the awardee will make only an improvement to one switch, and no design changes, which RADeCO argues show no significant improvement in functionality. Protester's Supplemental Comments at 1. In short, RADeCO argues, Spectral proposes only to meet technical specifications, implement existing features, and provide functions that are essential for the design to operate. Protester's Final Comments at 1.

The evaluation of an offeror's proposal is a matter largely within the agency's discretion. Frontline Healthcare Workers Safety Found., Ltd., B-402380, Mar. 22, 2010, 2010 CPD ¶ 91 at 5. In reviewing a protest that challenges an agency's evaluation of proposals, our Office will not reevaluate proposals; rather, we will examine the record to determine whether the agency's judgment was reasonable and consistent with the stated evaluation criteria and applicable statutes and regulations. Zodiac of N. Am., B-409084 et al., Jan. 17, 2014, 2014 CPD ¶ 79 at 3 (denying protester's challenge to evaluation of awardee as technically acceptable).

The Navy argues that it reasonably evaluated Spectral's proposal as technically acceptable, based on the conclusion of each of the evaluators that the firm had proposed an approach that met the requirements of extending the lifespan and significantly improving the functionality of the air particle sampler. AR at 8. Spectral argues that its proposal does describe specific significant improvements, albeit ones that RADeCO remains unaware of because they have been redacted from the information provided to RADeCO based on their being Spectral's proprietary information. Intervenor's Supplemental Comments at 1-2.

In our view, the record demonstrates that the Navy had a reasonable basis for finding Spectral's proposal to be technically acceptable. As noted above, the record confirms that the evaluators were unanimous in finding Spectral's proposal met the requirements of the RFP. Additionally, our review of the unredacted version of RADeCO's proposal shows that the firm proposed specific improvements that appear to be more significant than RADeCO argues. Those specific improvements support the reasonableness of the Navy's conclusion that Spectral proposed to significantly improve the functionality of the air particle sampler. For example, Spectral's proposal discusses the improved functionality made possible by a new processor and unique software, which will provide greater operational modes for the air particle sampling unit. AR Tab 10, Spectral Proposal, at 2, 5-6; Intervenor's Final Comments at 1. In response, RADeCO insists that improvement to the processor and software would not improve the unit or provide a benefit to the Navy because some type of processor and software were inherently required for the unit to function. Protester's Final Comments at 1. This general argument does not address the specific improvements identified by Spectral, nor does it provide a basis to question the Navy's evaluation judgment that the additional functionality proposed by Spectral was sufficient for the proposal to be evaluated as acceptable. Rather, RADeCO's objections amount to mere disagreement with the conclusions of the Navy's evaluators. A protester's disagreement with reasonable evaluation

judgments does not provide a basis to sustain its protest. DRS C3 Sys., LLC, B-310825, B-310825.2, Feb. 26, 2008, 2008 CPD ¶ 103 at 16 (agency evaluation of awardee's proposal as technically acceptable was reasonable despite protester's disagreement).

The protest is denied.

Susan A. Poling
General Counsel