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United States Government Accountability Office
Washington, DC 20548

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Decision

Matter of: Team Housing Solutions

File: B-411162

Date: June 3, 2015

Theodore P. Watson, Esq., Watson & Associates, LLC, for the protester.

John E. McCarthy Jr., Esq., Crowell & Moring LLP, for the intervenor.

Kyle E. Chadwick, Esq., and Scott N. Flesch, Esq., Department of the Army, for the agency.

Mary G. Curcio, Esq., and David A. Ashen, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest that agency unreasonably rated awardee's past performance as satisfactory confidence is denied where the awardee had performed similar, though not identical, services, and received recent overall good, very good and outstanding ratings.

DECISION

Team Housing Solutions, Inc. (THS), of New Braunfels, Texas, protests the Department of the Army's award of a contract to SRM-Group (SRM), of Atlanta, Georgia, under request for proposals (RFP) No. W912JF-14-R-0010, for lodging and transportation services for soldiers attending classes at the United States Property and Fiscal Office at Camp Robinson, Arkansas. THS protests the agency's evaluation of SRM's past performance and asserts that the agency made an unreasonable best value determination.

We deny the protest.

BACKGROUND

The solicitation contemplated the award of a fixed-price contract to furnish

lodging management of Independence Hall, Liberty Hall and Patriot Hall . . . for the National Guard Professional Education Center (NGPEC) at Camp Robinson, North Little Rock, Arkansas. Services performed shall consist of front desk services, housekeeping, and

transportation of students and guests staying in NGPEC lodging as well as those that are billeted off-post.

RFP, Statement of Work (SOW), § 1.0. Regarding transportation, the SOW required the contractor to provide: “transportation between Bill and Hillary Clinton National Airport and NGPEC Lodging as well as transportation for those guests that will be in off post billeting;” “transportation for off post dining such as to McCain Mall;” and “service for trips to and from a medical facility/hospital for guests staying in lodging.” SOW § 1.11 (Transportation).

Award was to be made on a best-value basis considering the following evaluation factors: technical, past performance, price, and small business participation plan. RFP at 27. Technical was more important than past performance, which was more important than price, which was more important than small business participation. RFP at 30. The possible ratings for the technical and small business participation factors were: blue/outstanding, purple/good, green/acceptable, yellow/marginal, or red/unacceptable. RFP at 32-33. Past performance was to be assigned a confidence rating of substantial, satisfactory, limited, no, or unknown. RFP at 35.

Four offerors, including THS and SRM, responded to the solicitation. Following proposal evaluation, THS was rated blue/outstanding for the technical factor, substantial confidence for past performance, and blue/outstanding for small business participation, while SRM was rated purple/good for the technical factor, satisfactory confidence for past performance, and blue/outstanding for small business participation. Source Selection Decision Document (SSDD) at 1. THS’s price (\$23,059,729) was approximately 8.8 percent higher than SRM’s (\$21,179,229). Id. The source selection authority (SSA) performed a best value analysis and concluded that THS’s higher technical and past performance ratings did not warrant payment of the price premium associated with its proposal. Id. at 6-7. Upon learning of the resulting selection of SRM’s proposal for award, and after a debriefing, THS filed this protest with our Office.

DISCUSSION

THS asserts that SRM’s rating of satisfactory confidence for past performance was unreasonable because, according to protester, SRM does not have relevant past performance with respect to transportation services for students.

An agency’s evaluation of past performance, which includes its consideration of the relevance, scope, and significance of an offeror’s performance history, is a matter of agency discretion which we will not disturb unless the agency’s assessments are unreasonable, inconsistent with the solicitation criteria, or undocumented. Green Earthworks Constr., Inc., B-410724, B-410724.2, Feb. 2, 2015, 2015 CPD ¶ 68 at 4. A protester’s mere disagreement with the agency’s judgment is insufficient to establish that an evaluation was improper. Beretta USA Corp., B-406376.2,

B-406376.3, July 12, 2013, 2013 CPD ¶ 186 at 10. Here, we find that the agency reasonably evaluated SRM's past performance.

With respect to past performance, offerors were required to provide information for between 3 and 10 "relevant" contracts performed within the past 3 years, with "relevant" generally defined as contracts "of the same or similar scope, size, and complexity in performing work of the same nature as that of the requirement." RFP at 27. The solicitation further provided for rating each contract as very relevant, relevant, somewhat relevant, or not relevant. Pertinent here, a "relevant" rating was to be assigned to a contract in which the "[p]resent/past performance effort involved similar scope and magnitude of effort and complexities," RFP at 35, while a "[s]omewhat [r]elevant" rating was to be assigned where the "[p]resent/past performance effort involved some of the scope and magnitude of effort and complexities this solicitation requires." Id.

SRM submitted information on five contracts. Agency E-mail, Apr. 30, 2015. The agency found three contracts to be not relevant, one relevant, and one somewhat relevant. The relevant contract was for housing management services for the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia, and was valued at more than \$36 million. SRM Past Performance Proposal at 1-3; Agency E-mail, Apr. 30, 2015. The somewhat relevant contract was for laundry and warehousing services for the FLETC in Glynco, and was valued at more than \$9 million. SRM Past Performance Proposal at 4-5; Agency E-mail, Apr. 30, 2015. The information obtained from references and the Past Performance Information Retrieval System indicated that while SRM had some initial performance problems on these latter two contracts, the problems were corrected and the most recent ratings were primarily very good and outstanding. SSDD at 3; SRM Past Performance References. Based on this information, the agency assigned SRM an overall rating of satisfactory confidence for past performance.

THS asserts that the FLETC contract for housing management services should not have been rated relevant because it did not include transportation services for students.

We find the agency's evaluation of the relevance of SRM's FLETC housing management contract to be unobjectionable. The housing management services SRM provides to FLETC includes desk clerk, housekeeping and maintenance services, all of which are requirements of the current solicitation. While the FLETC housing management contract did not include the transportation of students, SRM did have some transportation responsibilities. Specifically, SRM was responsible under that contract for purchasing and deploying 11 vehicles to support its maintenance service. SRM Past Performance Proposal at 3. This task involved the awardee in utilizing software to plan and schedule vehicles and personnel. Id. Further, SRM's FLETC housing management contract was significantly larger in magnitude of effort than the contemplated contract here, including 9 dormitories

rather than the 3 here, and a contract value (approximately \$36 million) substantially higher than the value of the current solicitation (in the \$20-\$25 million range). SRM Evaluation at 1; SRM Past Performance References at 2-3. In these circumstances, we find that the agency could reasonably consider SRM's FLETC housing management contract to be "relevant," that is, have a "similar scope and magnitude of effort and complexities," RFP at 35, as the current requirement. Furthermore, we note that in rating SRM overall satisfactory confidence, and not higher, for past performance, the agency specifically considered that SRM had limited past performance with transportation services. SRM Evaluation at 1.

THS next argues that SRM should not have received a past performance rating of satisfactory confidence because references for SRM's performance on its two relevant contracts included reports of some performance problems. In rating SRM satisfactory confidence for past performance, however, the agency recognized that at the beginning of performance of these contracts there were some performance problems, but noted that the reports indicated that SRM had corrected the problems, resulting in more recent favorable performance reports in the good to exceptional (outstanding) range. SSDD at 3. For example, the Contractor Performance Assessment Report (CPAR) for SRM's performance on the FLETC housing management contract between October 1, 2012 and September 30, 2013, noted instances in which SRM needed to reclean rooms, but also pointed out that the contractor was working to improve quality assurance. The report rated SRM's performance overall as "satisfactory," and indicated that the reviewing official "DEFINITELY WOULD award to him today." SRM Past Performance References at 30-32.¹

Similarly, SRM's performance on the FLETC laundry services contract was initially criticized for having key personnel that were inexperienced and lacked management skills, and SRM was rated "marginal" for management of key personnel and schedule, as well as unsatisfactory for cost control. CPAR, Period of Performance, Oct. 1, 2011-Sept. 30, 2012, SRM Past Performance References at 39-42. For the period of performance between October 1, 2013, and September 30, 2014, however, SRM's CPAR rated its performance "very good" for quality, schedule, cost control and management, SRM Past Performance References at 33-35, while the past performance questionnaire completed for this contract uniformly rated SRM's current performance as "outstanding." *Id.* at 9-11. In these circumstances, given that SRM provided relevant and somewhat relevant past performance, with recent overall good, very good and outstanding performance ratings, we see no basis to question the agency's overall rating of SRM as satisfactory confidence for past performance.

¹ Further, the past performance questionnaire completed for this contract uniformly rated SRM's current performance as "good." SRM Past Performance References at 2-5.

THS protests that the agency's award decision was made on a lowest-priced technically acceptable basis rather than best value. In this regard, THS notes that its proposal received ratings superior to SRM's in each category (other than small business participation where the two offerors received identical ratings), including blue/outstanding for technical versus SRM's purple/good, and substantial confidence for past performance versus SRM's satisfactory confidence, and its price was found to be reasonable. THS asserts that the source selection decision failed to account for its superior ratings.

Source selection officials in negotiated best-value 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 tests 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, as here, price is stated to be of less importance than technical merit, an agency may properly select a lower-rated, lower-priced proposal if the agency reasonably concludes that the price premium involved in selecting the higher-rated proposal is not justified. Aegis Defence Servs., Ltd., B-403226 et al., Oct. 1, 2010, 2010 CPD ¶ 238 at 10. A protester's disagreement with the agency's determinations as to the relative merits of competing proposals, or disagreement with its judgment as to which proposal offers the best value to the agency, does not establish that the source selection decision was unreasonable. General Dynamics--Ordnance & Tactical Sys., B-401658, B-401658.2, Oct. 26, 2009, 2009 CPD ¶ 217 at 8.

Here, the source selection decision set forth the strengths, weaknesses and relative merits of each proposal. While the SSA noted that the performance risk associated with award to either THS or SRM was "minimal," the SSA fully acknowledged in his tradeoff analysis the superiority of THS's proposal under the technical and past performance factors. SSDD at 2-4, 6. The SSA concluded, however, that THS's superiority in these areas did not warrant payment of the price premium associated with its proposal (\$1,880,500, or approximately 8.8 percent), such that SRM's proposal represented the best value. SSDD at 6-7. THS's disagreement with this conclusion does not demonstrate that it was unreasonable.

The protest is denied.

Susan A. Poling
General Counsel