U.S. GOVERNMENT ACCOUNTABILITY OFFICE

441 G St. N.W.
Washington, DC 20548

Comptroller General
of the United States

Decision

Matter of: IJC Corporation

File: B-415388

Date: December 19, 2017

Peter Kashulines, IJC Corporation, for the protester.
James L. Weiner, Esq., and Dana-Marie Akpan, Esq., Department of the Interior, for the agency.
Joshua R. Gillerman, Esq., and Tania Calhoun, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest challenging the agency's evaluation of the protester's quotation is denied where the record shows that the agency's evaluation was reasonable and consistent with the solicitation and applicable statutes and regulations.

2. Protest challenging the agency's source selection decision selecting a technically superior, higher-priced quotation is denied where the record shows that the agency's best-value tradeoff was reasonable and consistent with the terms of the solicitation.

DECISION

IJC Corporation, of Windham, New Hampshire, protests the award of a contract to NorCom Integrated System, Inc., of Destin, Florida, under request for quotations (RFQ) No. R17PS01020, issued by the Department of the Interior to supply and install a diesel backup generator. The protester argues that the agency unreasonably evaluated its quotation and made an unreasonable source selection decision.

We deny the protest.

BACKGROUND

The RFQ, issued on July 10, 2017, contemplated the award of a contract to supply and install a 650 kilowatt (kW) diesel backup generator for the Morrow Point Power Plant located on the Gunnison River in Gunnison, Colorado. Agency Report (AR), Tab 3, RFQ at 39-41. The RFQ incorporated Federal Acquisition Regulation (FAR) clause 52.212-2, "Evaluation--Commercial Items," which indicated that award was to be made to the firm whose quotation was most advantageous to the government, considering price and non-price factors. RFQ at 21. The non-price factors that would be evaluated were: technical capability, experience of manufacture and contractor, installation schedule, warranty, and price. Id. The RFQ further advised that technical capability, experience, and installation, when combined, were more important than price. Id.[1]

The agency received quotations from five vendors, including those from IJC and NorCom. Contracting Officer's Statement (COS) at 1. After completing an initial review of quotations, the agency removed one vendor from the competition and notified the remaining vendors that their quotations were missing required documentation but that they could submit revised quotations by a revised submission deadline. Id.

The agency received revised quotations from all four vendors, including from IJC and NorCom. Id. After the agency completed an initial technical review, it revised the size specifications for the concrete pad on which the generator would be placed. COS at 2. The agency then updated the drawings contained in the RFQ and sent them to the four vendors in order to allow them to revise their pricing to compensate for the new size and position of the concrete pad. Id. All four vendors submitted revised quotations. Id.

The contracting officer, acting as the source selection authority (SSA), reviewed the quotations against the RFQ's evaluation criteria. AR, Tab 17, Technical Evaluation and Source Selection Decision (SSD) at 6-7. The record shows that, of the four vendors, IJC quoted the lowest price of $345,990, while NorCom quoted the next lowest price of $352,358. Both firm's quotations were determined to be technically acceptable. AR, Tab 17, Technical Evaluation and SSD at 6. The agency found that NorCom's quotation exceeded the RFQ's requirements under the warranty factor because it offered a 2-year unlimited warranty and because its quoted generator conformed to the size specifications contained in the SOW. Id. at 6. Accordingly, the agency found NorCom's quotation technically superior to IJC's quotation, which quoted a larger generator than was specified in the SOW and met, but did not exceed, the RFQ's minimum warranty requirement. Id. As the agency rated NorCom's quotation technically superior to IJC's quotation for the non-price factors, the agency made a best-value tradeoff decision. Id. at 7. The agency concluded that Norcom's higher-priced quotation represented the best value to the agency. Id. IJC filed this protest after it received notice of the agency's source selection and its debriefing.

DISCUSSION

IJC challenges the agency's evaluation of its quotation and the agency's source selection decision. We note at the outset that a contracting agency's evaluation of quotations is a matter within the agency's discretion. Technatomy Corp., B-411583, Sept. 4, 2015, 2015 CPD ¶ 282 at 4. In reviewing an agency's evaluation, we will not

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[1] The agency states that it was to award the contract utilizing FAR part 15 procedures. Memorandum of Law at 3.

reevaluate quotations; rather we will examine the evaluation to ensure that it was reasonable and consistent with the solicitation's stated evaluation criteria and with procurement statutes and regulations. Id. at 4-5. It is the agency's role to define both its underlying needs and the best method of accommodating those needs, and it is within the agency's discretion to reject as unacceptable quotations that do not meet the requirements that it defines. Id. at 5.

Technical Evaluation

Under the warranty factor, vendors were required to provide a minimum warranty of 1 year. RFQ at 46. While the agency found IJC's quotation met this requirement, it also found that NorCom exceeded the RFQ's requirements by providing a 2-year warranty. AR, Tab 17, at 6. IJC argues that the RFQ failed to put vendors on notice that quoting a longer warranty would be evaluated as exceeding the RFQ's minimum requirements. Protest at 3. In this regard, IJC represents that its quotation would have provided a longer warranty had the RFQ expressly stated that the agency desired a warranty in excess of 1 year. Id. Accordingly, IJC essentially argues it was improper for the agency to rate NorCom's quotation as technically superior for providing a 2-year warranty. Id.

It is a fundamental principle of government procurement that competition must be conducted on an equal basis; that is, vendors must be treated equally and be provided with a common basis for the preparation of their quotations. Lockheed Martin Corp., B-411365.2, Aug. 26, 2015, 2015 CPD ¶ 294 at 14. However, if the solicitation provides a common basis on which to submit quotations, vendors' differing approaches that merely reflect the differing business judgments of competing vendors in a best-value procurement do not provide a basis for our Office to object to the agency's evaluation. CAE USA, Inc., B-293002, B-293002.2, Jan. 12, 2004, 2004 CPD ¶ 25 at 15.

We find no merit to the protester's argument that the RFQ improperly failed to advise vendors that an agency would value a longer warranty than specified in the solicitation. As noted above, under the warranty factor vendors were advised that the agency required a minimum warranty of one year. RFQ at 46. The RFQ did not mandate that vendors only quote 1-year warranties, nor did it prohibit vendors from exceeding this minimum requirement. Accordingly, we find that NorCom's exercise of its business judgment as to how to best meet the agency's requirements in its quotation does not indicate that the agency failed to provide IJC with adequate notice of the RFQ's warranty requirements. IJC's decision to meet the solicitation's minimum warranty requirement, as opposed to exceeding it, does not provide a basis to object to the agency's evaluation. CAE USA Inc., supra.

IJC also argues that the agency unreasonably evaluated its quoted generator. As noted above, the RFQ specified that vendors needed to provide a 650kW generator. RFQ, SOW, at 39. IJC, however, quoted a 750kW generator. AR, Tab 17, Technical Evaluation and SSD, at 2. While the agency found IJC's generator technically acceptable, it concluded that the larger generator would use more fuel, and would therefore be less economical for the agency than NorCom's 650 kW generator. Id. at 7.

IJC challenges this conclusion and asserts that the savings in fuel costs that the agency would realize from utilizing a generator at the size specified in the SOW would be "negligible." Protest at 4. IJC also contends that the larger generator it quoted may even save the agency on maintenance costs. Id.

We find no merit to IJC's argument. While the agency could reasonably conclude that quoting a larger generator exceeded its requirements, it could just as reasonably determine that quoting a generator that was larger than required offered no additional benefit, and, as occurred here, could be of less benefit than the smaller generator. See MSN Services, LLC, B-414900 et al., Oct. 4, 2017, 2017 CPD ¶ 310 at 5. Moreover, to the extent IJC challenges the "negligible" cost savings the agency believes it will save from utilizing a generator which conforms to its requirements, such allegations amount to no more than disagreement with the agency's conclusions which, without more, do not provide a basis for our Office to object to the agency's evaluation. GeoNorth LLC, B-411473 et al., Aug. 6, 2015, 2015 CPD ¶ 247 at 4.

Source Selection Decision

Finally, IJC challenges the agency's source selection decision. Protest at 3. IJC argues that NorCom's longer warranty and more economical generator do not justify the $6,368 price premium associated with NorCom's quotation. Id. We note that source selection decisions must be documented, and must include the rationale for any business judgments and price/technical tradeoffs made or relied upon by the SSA. Wyle Labs., Inc., B-407784, Feb. 19, 2013, 2013 CPD ¶ 63 at 6. However, there is no need for extensive documentation of every factor considered in a tradeoff decision. See Terex Gov't Programs, B-404946.3, Sept. 7, 2011, 2011 CPD ¶ 176 at 3. Rather, the documentation need only be sufficient to establish that the agency was aware of the relative merits and costs of the competing quotations and that the source selection was reasonably based. Id.

Here, the record shows that the SSA assessed the relative merits of the respective quotations and, consistent with the solicitation's evaluation criteria, determined that NorCom's quotation represented the best value to the government. AR, Tab 17, Technical Evaluation and SSD, at 6-7. In particular, the SSA noted in her cost/technical tradeoff that if the generator encounters an issue in the second year, the repair would likely cost more than the $6,368 price differential between the vendors. Id. Additionally, the SSA noted that NorCom's appropriately sized generator would have better fuel economy. Id. As a result, these technical advantages justified award to NorCom's higher-priced quotation. Accordingly, on this record, we have no basis to question the agency's source selection decision. See Terex Gov't Programs, supra.

The protest is denied.

Thomas H. Armstrong
General Counsel