



U.S. GOVERNMENT ACCOUNTABILITY OFFICE

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

Comptroller General
of the United States

Decision

Matter of: Twin Services, Inc.

File: B-415418

Date: January 9, 2018

Gina Fugatt, for the protester.

Robert E. Sebold, Esq., Defense Logistics Agency, for the agency.

Lois Hanshaw, Esq., and Christina Sklarew, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

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

DECISION

Twin Services, Inc. (TSI), of Newbury Park, California, challenges the issuance of a purchase order to Aero Engineering Manufacturing, of Valencia, California, under request for quotations (RFQ) No. SPE4A7-17-T-F607, issued by the Defense Logistics Agency (DLA), for the supply of aircraft window curtains. The protester contends that it offered a product that met the solicitation's requirement to offer an "exact product" from an approved source.

We deny the protest.

BACKGROUND

On May 10, 2017, the agency issued the RFQ as an automated solicitation through DLA's Internet Bid Board System (DIBBS), and as a small business set-aside using the simplified acquisition procedures of federal acquisition regulation (FAR) part 13.¹ RFQ at 1, 2.

¹ The solicitation incorporated Defense Logistics Acquisition Directive (DLAD) clause 52.219-9015, which stated that the order of preference for award would be to service-disabled veteran-owned small businesses (SDVOSBs), then small businesses, (continued...)

The solicitation incorporated the terms and conditions of the DLA Master Solicitation for Automated Simplified Acquisitions Revision (DLA Master Solicitation), which incorporated Procurement Note L04, Offers for Part Numbered Items. AR, Tab B, RFQ at 2; Tab D, DLA Master Solicitation at 1, 10. This procurement note applies when, as here, a solicitation identifies an item only by the name of the approved source's commercial and government entity (CAGE) code, a part number, and a brief description. Tab D, DLA Master Solicitation, at 10.

Procurement Note L04 defines when an item is considered an exact product and when it is an alternate product. Tab E, Procurement Note L04, at 1. It states, in relevant part, as follows:

(b) Exact product means a product described by the name of an approved source and its corresponding part number cited in the item description; and manufactured by, or under the direction of, that approved source. An offeror of an exact product must meet one of the descriptions below.

* * * * *

(3) A manufacturer who produces the offered item under the direction of an approved source; and has authorization from that approved source to manufacture the item, identify it as that approved source's name and part number, and sell the item directly to the Government.

(4) A dealer/distributor offering the product of a manufacturer that meets the description in subparagraph (3) above.²

Id.

As additionally relevant here, the RFQ identified Aero Engineering and Lockheed Martin as the two sources approved to provide the product, and listed their respective product

(...continued)

then federal prison industries. Agency Report (AR), RFQ at 2; Tab C, DLAD clause, at 1.

² As relevant here, an alternate product is one offered by (i) an offeror who manufactures the item for an approved source cited in the item description, but does not have authorization from the approved source to identify it as the approved source part number and sell the item directly to the government, or (ii) a dealer/distributor offering the product of a manufacturer that meets the description in section (i). Tab E, Procurement Note L04, at 1.

numbers and CAGE codes. RFQ at 4. Lockheed Martin's CAGE³ code was identified as 98897. Id.

The agency received 23 quotations by the closing date; three quotations, including TSI's, were submitted by SDVOSB concerns. Joint COS/MOL at 2. As relevant here, TSI's quotation indicated that it is a dealer offering an exact product under Lockheed Martin's CAGE code (98897), and identified the CAGE code for the actual manufacturer as Frazier Aviation, CAGE code 23162. AR, Tab H, TSI Quotation, at 2. The submitted quotation summary in DIBBS included a notice section that stated "You have indicated that you/your supplier intend to manufacture this item, but are not CAGE 98897 [Lockheed Martin]." In order for TSI to confirm the technical acceptability of its offer, the notice stated, "you must, if requested, furnish evidence sufficient to demonstrate that CAGE 98897: (A) is overseeing and involved in the production of the item; and (B) has authorized you/your supplier to produce the item, identify it by CAGE 98897 [and item number] and sell the item directly to the Government." Id. The notice also stated that any product not meeting the criteria of an exact product would be considered an alternate product even though it may be manufactured in accordance with the drawings and/or specifications of CAGE 98897, and indicated that failure to provide adequate evidence upon request may result in the rejection of TSI's quotation as technically unacceptable. Id.

In evaluating quotations, the agency determined that TSI's quotation did not offer an exact product from an approved manufacturer. AR, Tab J, Award Decision, at 1. On September 21, the agency notified TSI of the award to Aero Engineering in the amount of \$19,125. TSI timely filed an agency-level protest. On September 26, the agency responded to that protest, explaining that TSI did not receive award because its manufacturer was not one of the two manufacturers identified in the RFQ as an approved manufacturer for the item. TSI timely protested to our Office on October 2.

DISCUSSION

TSI challenges the agency's evaluation of its quotation. We have reviewed TSI's arguments and find no basis to sustain its protest.

In reviewing a protest against an agency's evaluation of quotations, we examine the record to determine whether the agency's judgment was reasonable and consistent with the stated evaluation criteria and applicable statutes and regulations. American Artisan Prods., Inc., B-286239, Nov. 29, 2000, 2000 CPD ¶ 198 at 2. 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. Technatomy Corp., B-411583, Sept. 4, 2015,

³ The agency represents that the CAGE code is a unique five digit alpha/numeric code identifying a specific manufacturer. Joint Contracting Officer's Statement and Memorandum of Law (COS/MOL) at 1 n.2.

2015 CPD ¶ 282 at 5. It is a vendor's responsibility to submit a well-written quotation, with adequately detailed information, which clearly demonstrates compliance with the solicitation requirements and allows a meaningful review by the procuring agency. See Recogniti, LLP, B-410658, Jan. 21, 2015 CPD ¶ 49 at 6.

TSI contends that it met the requirement of section (b)(4) of Procurement Note L04,⁴ set forth above, to offer an "exact product" from an approved source because TSI was a dealer offering the product of a manufacturer that met the requirements of section (b)(3), i.e., TSI's manufacturer was authorized by Lockheed Martin (CAGE code 98897), an approved source, to manufacture the item and to sell it directly to the government. Protest at 2.

The agency contends that TSI's quotation failed to meet the requirement to show that TSI's manufacturer was authorized by Lockheed Martin to identify the item by Lockheed Martin's name and part number. Joint COS/MOL at 5. In this regard, the agency asserts that the identification of Frazier's CAGE code--rather than Lockheed Martin's--in TSI's quotation as the actual manufacturer of the product led the agency to conclude that TSI's quotation was offering a product from Frazier, a manufacturer that was not a source identified in the solicitation as approved. Id. The agency contends that a manufacturer's ability to identify a part by the approved source's name, pursuant to section (b)(3) of Procurement Note L04, is significant because it essentially ensures that DLA meets its mission to provide spare part support for US military aircraft by supplying parts from either a manufacturer that has been approved by the military to manufacture the part, or from a firm that has been authorized by the approved source to represent the product as the approved source's product. Id. at 6 n.6.

We find the agency's evaluation unobjectionable. As relevant here, Procurement Note L04 required a firm to offer an exact product from an approved source by meeting either section (b)(3) or (b)(4). Tab E, Procurement Note L04, at 1. Lockheed Martin was identified as one of two approved sources. RFQ at 4. The record shows that TSI's quotation identified Frazier, rather than Lockheed Martin as the manufacturer of the product, and failed to include information showing that Frazier was authorized to identify the part by Lockheed Martin's name and part number. See AR, Tab H, TSI Quotation, at 1. We find no merit to the protester's argument that the government misunderstood or misapplied Procurement Note L04 by allegedly failing to request evidence from TSI or Lockheed Martin to show that TSI and its manufacturer could meet the requirements of Procurement Note L04, or the criteria outlined in the DIBBS quotation summary

⁴ To the extent the protester relies on DLAD clause 52.217-9002 to support its arguments, the agency explains that this clause has been replaced in DLA's Master Solicitation by Procurement Note L04. Joint COS/MOL at 3 n.3.

notice. Rather, it was the protester's responsibility to submit a well-written quotation clearly demonstrating its ability to comply with the solicitation's requirements.

The protest is denied.

Thomas H. Armstrong
General Counsel