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Decision

Matter of: Sallyport Global Holdings, Inc.

File: B-415460; B-415460.4

Date: January 9, 2018

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Kathleen D. Martin, Esq., and Dennis J. Gallagher, Esq., Department of State, for the agency.

Mary G. Curcio, Esq., and Laura Eyester, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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

DIGEST

Agency reasonably evaluated protester's price proposal as unacceptable where as a result of protester's failure to follow solicitation instructions, the agency was unable to validate the protester's proposed price.

DECISION

Sallyport Global Holdings, Inc., of Reston, Virginia, protests the issuance of a task order to Triple Canopy, Inc., of Reston, Virginia, and the rejection of the proposal it submitted in response to task order request for proposals (TORFP) No. SAQMMA17R0125, issued by the Department of State for security services in support of the United States Embassy in Kabul, Afghanistan. Sallyport asserts that the agency unreasonably evaluated its technical and price proposals, and the awardee's past performance.

We deny the protest.

BACKGROUND

The TORFP was issued to the six companies that hold the Department of State's Worldwide Protective Services II indefinite-delivery, indefinite-quantity (IDIQ) contract to provide personal protective services, logistical support services, and specialized

security services in support of the United States Embassy in Kabul, Afghanistan. Contracting Officer's Statement (COS) at 1. The solicitation provided that a task order would be issued on the basis of the best value to the government considering three factors: technical, past performance, and cost/price. Agency Report (AR), Tab 1, TORFP § M at 1.¹ The technical factor was comprised of the following seven subfactors: staffing plan; training management plan; mobilization and transition plan; logistics and property management and accountability plan; management approach; risk management; and key personnel. Id. at 2.²

With respect to price, as relevant to this protest, the solicitation included nine fixed-price contract line item numbers (CLINs), each with multiple sub-line items for which offerors were required to provide pricing in table 2 of the solicitation. TORFP § L at 10-14. Offerors were also required to submit a pricing proposal narrative that provided a thorough explanation and rationale for the prices and which matched the pricing table. Id. at 10. The solicitation provided that the agency would evaluate whether the offeror's total fixed price was reasonable. Id. § M at 4. The solicitation included several other provisions related to price. Specifically, the solicitation instructed offerors that the price volume "shall consist of all information required to support prices." Id. § L at 10. The solicitation also instructed offerors to submit all price breakdown information to aid in the price evaluation in Microsoft Office Excel Read/Write format and viewable in Microsoft Excel. Id. at 3. Further, all calculations and formulas were required to be unprotected and accessible in the electronic submission documents. Id. Specific instructions were also given for each CLIN. For example, with respect to CLIN X01, mobilization, the solicitation instructed that costs for all mobilization/transition-in activities such as travel, labor and life support for the mobilization/advance team should be included under this line item. Id. at 10.

The solicitation cautioned offerors that proposals that were not in accordance with the instructions could be considered unacceptable and rejected. TORFP § L at 4. The solicitation also advised offerors that the agency would evaluate the adequacy of the response to determine the extent to which each requirement had been addressed in the proposal in accordance with the proposal submission requirements. Id. § M at 1. The

¹ All citations to the solicitation are to amendment 06.

² The agency assigned an adjectival rating of superior, acceptable, marginal, or unacceptable to each technical subfactor and the overall technical factor. TORFP § M at 2. A proposal was required to be rated acceptable or better for the overall technical factor to be eligible for award. Id. Past performance was assigned a relevance rating (very relevant, relevant, somewhat relevant, and not relevant) and a confidence assessment (substantial, satisfactory, limited or no confidence). Id. at 3-4. Offerors with no relevant past performance were assigned a confidence rating of unknown (neutral). Id. at 4.

solicitation also advised vendors that the agency intended to issue the task order without holding discussions. Id. at 5.

Task order proposals were due on July 24, 2017. COS at 17. Each of the six vendors holding an IDIQ contract submitted a proposal. Id. Sallyport was rated acceptable under each technical subfactor, acceptable overall for the technical factor, and satisfactory for past performance. AR, Tab 13, Source Selection Authority (SSA) Award Determination, at 2. In contrast, Sallyport's fixed-price proposal of \$305,493,261, was rated unacceptable for the price factor, and as a result, its proposal was eliminated from the competition. Id. The agency concluded that Sallyport's price proposal contained a number of inadequacies and omissions, and failed to follow instructions, and therefore the agency did not have sufficient information to determine that the price was fair and reasonable. AR, Tab 9a, Price Evaluation Team (PET) Consensus Evaluation Report, at 3, 8. The task order was issued to Triple Canopy, Inc., which submitted a fixed-price proposal of \$335,563,822. AR, Tab 13, SSA Award Determination, at 12. This protest followed.³

DISCUSSION

Sallyport challenges the evaluation of its price and technical proposals, and the evaluation of Triple Canopy's past performance. With respect to the evaluation of its price proposal, Sallyport argues that the agency failed to follow the terms of the solicitation because the agency went beyond evaluating whether the offerors' prices were fair and reasonable. The agency argues that Sallyport failed to follow the solicitation instructions and did not provide the information required and needed to evaluate Sallyport's price due to errors and conflicts in Sallyport's price proposal narrative and pricing spreadsheet. We have reviewed all of the allegations presented and find no basis to sustain the protest.

Price Evaluation

Sallyport protests that the agency unreasonably eliminated its proposal from the competition based on its conclusion that Sallyport submitted an unacceptable price proposal. In Sallyport's view, the solicitation provided that for purposes of award, the agency would evaluate whether the total price was fair and reasonable. Sallyport complains that the agency went well beyond this and instead, conducted a detailed analysis of the build-up and minutiae of each fixed-price item, even though Sallyport's fixed prices were clearly stated in pricing table 2. In Sallyport's view, since its bottom-line price was fair and reasonable, the agency was not permitted to eliminate Sallyport's proposal from consideration for award based on its analysis of the individual CLINs. Sallyport further asserts that nothing in the solicitation put offerors on notice that their

³ As the estimated value of this proposed task order exceeds \$10 million, this protest is within our jurisdiction. 41 U.S.C. § 4106(f)(2).

price proposals could be rejected as unacceptable for failing to follow the solicitation's instructions.

The agency argues that it reasonably eliminated Sallyport's proposal from consideration because, as a result of Sallyport's failure to follow instructions, it could not validate Sallyport's proposed prices. The agency notes in this regard that it attempted to evaluate Sallyport's non-compliant proposal but due to the omissions, errors and Sallyport's failure to follow directions, it was unable to do so.

In reviewing protests challenging an agency's evaluation of proposals, we do not independently evaluate proposals. Rather, we review the record to determine whether the agency's evaluation was reasonable and consistent with the terms of the solicitation and applicable statutes and regulations. Serco Inc., B-406061, B-406061.2, Feb. 1, 2012, 2012 CPD ¶ 61 at 9 (task order competition under FAR subpart 16.5). Here, we find that the evaluation was reasonable.

The record here shows that Sallyport's price proposal was reviewed by a price analyst and a price evaluation team. The purpose of the price evaluation was to evaluate the proposed fixed prices to determine reasonableness, determine if the offeror complied with the solicitation instructions and performance work statement, verify the mathematical accuracy of the prices, review the price proposal for errors or omissions that could affect the overall price, and review the cost reimbursable CLINs. AR, Tab 9b, Cost/Price Review Memo (CPRM), at 1.

The price analyst concluded that while Sallyport's total price was 0.6 percent lower than the overall average of all price proposals, the price was nonetheless not "fair and reasonable" due to the inability of the price evaluation team to verify the price build-up and the mathematical accuracy of the proposed line item prices. Id. at 1-2, 8. The price analyst specifically noted that Sallyport's pricing narrative included tabular images but the calculations in the images and formulas were not unprotected and accessible as required by the solicitation. As a result, Sallyport's line item prices and calculations could only be verified "by manually keying every single calculation into a spreadsheet or calculator." Id. at 2. Similarly, the analyst reviewed the pricing spreadsheet and concluded that the pricing details relied on inserted values with no logic, formula or cell reference that would allow the government to verify the logic, math, and build-up without using a calculator or creating a parallel spreadsheet with formulas, which in any event the agency could not be sure would be accurate or reflect the offerors' intent. Id.

While the PET also acknowledged that Sallyport's total price appeared reasonable when compared to the average price of the proposals received, AR, Tab 9a, PET Consensus Evaluation Report, at 8, the PET concluded that the agency did not have enough information to determine whether the price was fair and reasonable because of the number of inadequacies, pricing omissions, and failure to follow the solicitation instructions. As a result, the PET found the proposal unacceptable. Id. at 3, 8.

The price analyst and PET listed multiple examples under each CLIN which identified the problems. For example, for CLIN X01, mobilization, Sallyport proposed [DELETED] billable days in one table of its price narrative for labor costs, but in the table that provided the total cost of mobilization, Sallyport proposed lodging and meals for only [DELETED] billable days. AR, Tab 9b, CPRM, at 2. There was no explanation of why Sallyport would have personnel in Afghanistan for [DELETED] days, but only provide food and lodging for [DELETED] days. Agency Response to GAO Questions, Dec. 12, 2017, at 7. Because there were no supporting calculations, but only inserted values, the agency could not satisfactorily resolve this issue. Id. Under CLIN X004, contractor's operations logistics services and support, there was a discrepancy with respect to the number of days for kenneling explosive detection dogs when their handlers are on leave. See AR, Tab 9b, CPRM, at 3. The narrative indicated that the relevant number of days was [DELETED], but the chart in the price narrative uses [DELETED] days to compute the price for this item. Agency Response to GAO Questions, Dec. 12, 2017, at 11. Further, the price in the spreadsheet could not be calculated using either figure--[DELETED] or [DELETED] days. Id. Again, because the agency did not have access to the underlying data and calculations, it could not determine why the math was incorrect or what the price should be. Id.

In response, Sallyport asserts that the agency improperly evaluated the individual line item prices because the solicitation provided that for purposes of award, the agency would only consider whether the total price was reasonable. The solicitation, however, specifically notified offerors in section M that the pricing volume should consist of all information required to support prices, and instructed offerors to provide price breakdown information to be used to aid in the price evaluation. TORFP § L at 3, 10. Specifically, the solicitation instructed offerors to submit all price breakdown information in Microsoft Office Excel Read/Write format and viewable in Microsoft Excel, and advised that all calculations and formulas were required to be unprotected and accessible in the electronic submission documents. Id. at 3. Sallyport therefore should have been on notice that the agency planned to use the back-up information to evaluate the price proposals, and was not going to look only at the total prices.

Second, Sallyport relies on our decision in McCann-Erikson USA, Inc., B-414787, Sept. 18, 2017, 2017 CPD ¶ 300, to assert that the agency could not eliminate its proposal for failing to follow instructions in section L of the solicitation because nothing in the section M evaluation criteria put offerors on notice that the agency would do so. We disagree. In McCann-Erikson, the agency performed a preliminary pass/fail compliance check to determine whether the firms had prepared their proposals in strict conformance with the solicitation's proposal preparation instructions. We sustained the protest because nothing in the solicitation put offerors on notice that the agency would conduct a pass/fail compliance check. Here, however, the agency attempted to evaluate Sallyport's price proposal, but because Sallyport failed to follow the solicitation instructions, the agency could not confidently do so.

It is an offeror's responsibility to submit a well-written proposal, with adequately detailed information that clearly demonstrates compliance with the solicitation and allows a meaningful review by the procuring agency. See Herman Constr. Group, Inc.,

B-408018.2, B-408018.3, May 31, 2013, 2013 CPD ¶ 139 at 3 (agency properly rejected electronic versions of spreadsheets not submitted in Excel format, with formulas included, as required by solicitation). Further, an agency is not required to adapt its evaluation to comply with an offeror's submissions--the question is not what an agency could possibly do to cure a noncompliant submission, but, rather, what it is required to do. American Sys. Corp., B-409632, June 23, 2014, 2014 CPD ¶ 188 at 4 (rejecting protester's argument that omission was a "minor formal defect" and finding that agency reasonably found proposal unacceptable where proposal required agency to perform calculations in order to determine whether proposal was compliant); Herman Constr. Group, Inc., *supra*, at 3.

Here, the solicitation clearly required offerors to provide all information needed to support their prices, TORFP § L at 10. The solicitation also instructed offerors to submit all price breakdown information in Microsoft Office Excel Read/Write format and viewable in Microsoft Excel, with all calculations and formulas unprotected and accessible in electronic submission documents. *Id.* § L at 3. Given the agency's difficulty in verifying Sallyport's proposed prices because of the protester's failure to provide accessible tables and back-up data, the proposal was properly rejected as unacceptable as to price.

Technical and Past Performance Evaluation

Sallyport also protests that in evaluating the technical proposals, the agency assigned Triple Canopy and another offeror strengths when Sallyport's technical proposal was not assigned strengths for similar features. Sallyport is not arguing that either of these offerors should have been rated unacceptable. Accordingly, this issue is academic since, even if Sallyport and the other offerors received the same technical evaluation ratings, Sallyport's task order proposal could reasonably be eliminated from the competition based on its unacceptable price proposal. See HDT Tactical Systems, Inc., B-403875, Dec. 14, 2010, 2011 CPD ¶ 8 at 6 n.6 (allegations that agency misevaluated protester's proposal under performance risk factor is academic given conclusion that proposal was otherwise properly eliminated from consideration based on cooling capacity test failure).

Finally, Sallyport challenges the evaluation of its technical proposal and Triple Canopy's past performance. Since we find that the agency reasonably concluded that Sallyport's price proposal was unacceptable, and since there is an offeror other than Triple Canopy that submitted an acceptable proposal, Sallyport is not an interested party to raise these issues. 4 C.F.R. § 21.0(a); see SWR, Inc., B-284710.2, B-284710.3, Nov. 15, 2000,

2000 CPD ¶ 206 at 4 n.1 (where there is another acceptable proposal eligible for award, a protester is not an interested party where it would not be in line for award if its protest was sustained).

The protest is denied.

Thomas H. Armstrong
General Counsel