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Comptroller General of the United States

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# **Decision**

Matter of: Safal Partners, Inc.

**File:** B-416937; B-416937.2

**Date:** January 15, 2019

Adam K. Lasky, Esq., David Y. Yang, Esq., Erich Potter, Esq., and Daniel P. Radthorne, Esq., Oles Morrison Rinker & Baker, LLP, for the protester.

Antonio R. Franco, Esq., Michelle E. Litteken, Esq., Patrick T. Rothwell, Esq., and Jacqueline K. Unger, Esq., Piliero Mazza PLLC, for Manhattan Strategy Group, LLC, the intervenor.

Mark Motta, Esq., and Michael S. Taylor, Esq., Department of Education, for the agency.

Kenneth Kilgour, Esq., and Jennifer D. Westfall-McGrail, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

## DIGEST

- 1. Protest that the agency unreasonably evaluated the protester's technical quotation is denied where any errors in the evaluation were not prejudicial to the protester.
- 2. Protest that the agency conducted unfair discussions is denied where, in this Federal Acquisition Regulation subpart 8.4 procurement, the agency was required to request a price reduction, and other requested changes to the price quotations did not constitute discussions.
- 3. Protest that awardee's subcontractor has an unmitigated impaired objectivity organizational conflict of interest is sustained where the agency's initial analysis relied on vendors' self-certifications, and the agency's post-protest analysis was based on a mistake of material fact and the application of an improper legal standard.

## **DECISION**

Safal Partners, Inc., of Houston, Texas, protests the issuance of a task order (TO) to Manhattan Strategy Group, LLC (MSG), of Bethesda, Maryland, under request for quotations (RFQ) No. 91990018Q0023, issued by the Department of Education (DOE) for support of the Charter Schools Program (CSP). The protester asserts that the agency's evaluation of Safal's quotation was unreasonable, the conduct of discussions

was unreasonable, and the agency conducted a flawed analysis of whether MSG's subcontractor had an impaired objectivity organizational conflict of interest (OCI).

We sustain the protest in part and deny it in part.

## **BACKGROUND**

The RFQ, issued as a small business set-aside under Federal Acquisition Regulation (FAR) subpart 8.4, contemplated the issuance of a fixed-price TO under the successful firm's General Services Administration (GSA) Federal Supply Schedule (FSS) contract to support the CSP by providing technical assistance and disseminating best practices. Agency Report (AR), Tab C, RFQ at 18. The TO is referred to as the National Charter School Resource Center (NCSRC) contract, on which Safal is the incumbent contractor. Award was to be made on a best-value tradeoff basis, considering price and the following five technical factors, listed in descending order of importance: technical approach, quality and time commitments of proposed personnel, management plan, organizational capabilities and experience, and vendor past performance. AR, Tab D, RFQ amend. 0001, at 7-9. Price was significantly less important than technical merit and would be evaluated for reasonableness. Id. at 7. Each of the five technical factors would be evaluated as excellent, satisfactory, marginal, or unsatisfactory. Id.

The RFQ, which limited technical quotations to 40 pages, advised vendors that "[a]II information necessary to evaluate the technical capabilities of the vendor will be contained in the technical quote." RFQ at 78. The RFQ further advised vendors that "resource information (e.g., staff hours) must be included so that the vendor's understanding of the scope of work may be evaluated by the Technical Evaluation Panel." Id.

Three vendors, including the protester and the awardee, submitted quotations. The agency evaluated the technical quotations and assigned the following ratings:

	Vendors		
Factor	MSG	Safal	Vendor C
Technical approach	Satisfactory	Marginal	Marginal
Quality and time commitments of proposed			
personnel	Excellent	Marginal	Marginal
Management plan	Excellent	Satisfactory	Marginal
Organizational capabilities and experience	Excellent	Satisfactory	Marginal
Vendor past performance	Excellent	Excellent	Satisfactory

AR, Tab L, Award Summary, at 7.

The agency subsequently provided each of the vendors with "Business Questions" related to its pricing. Each vendor was advised that it was required to submit a revised business quote making specific changes requested by the agency. AR, Tab J, Business Questions. For example, MSG was asked to prepare the optional task matrix,

ensuring that all pricing was included, "even if included elsewhere such as the travel breakouts." AR, Tab J, Business Questions at 1. MSG was also asked to transfer task 6.4--targeted technical assistance on authorizing for state entity grantees (optional)--from non-optional to optional. <u>Id.</u> Safal was asked to update its summary chart, identified as the third tab in the Excel volume, to reflect the maximum possible optional task value, rather than the minimum. <u>Id.</u> at 2. The agency asked all three vendors to "consider providing final discounts to your GSA rates" and explicitly instructed them that revisions to their technical quotations were prohibited. <u>Id.</u> at 1.

Safal's final price was \$42,061,596, and MSG's was \$25,781,177. AR, Tab L, Award Summary, at 5. MSG increased its final price slightly from its initial price; Safal decreased its final price by less than two percent from its initial price.<sup>2</sup> See id.

The TO was issued to MSG as the firm whose quotation represented the best value to the agency, and this protest followed.

## DISCUSSION

Safal challenges the evaluation of its technical quotation, the conduct of discussions, and the determination that MSG's subcontractor did not have an impaired objectivity OCI. As explained below, while we find some of the agency's technical evaluation findings unreasonable, we find no prejudice to the protester resulting from the evaluation errors. Nor do we find improper the exchange of information between the agency and the vendors. We find, however, that the agency's OCI analysis was unreasonable, and we sustain the protest on this basis.

## Technical Evaluation

The protester's quotation was evaluated as having both multiple strengths and multiple weaknesses under the technical approach factor, and under the quality and time commitments of proposed personnel factor. The quotation was rated marginal under both factors. Safal challenges the assessment of four of the technical approach factor weaknesses.<sup>3</sup> The protester also broadly challenges its quotation's marginal rating under the quality and time commitments of proposed personnel factor, arguing that the source selection authority failed in his obligation to independently evaluate that factor.

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<sup>&</sup>lt;sup>1</sup> The optional task matrix was an attachment to the RFQ that included the unit price for each of the performance work statement (PWS) optional tasks for the base year and each option year. <u>See</u> Tab M, NCSRC Contract, at 641-42.

<sup>&</sup>lt;sup>2</sup> Vendor C's total final price was slightly lower than MSG's. <u>Id.</u>

<sup>&</sup>lt;sup>3</sup> The agency assessed a total of seven weaknesses; Safal withdrew its challenge to one weakness and did not challenge two other weaknesses. Thus, Safal contests four of the seven assessed weaknesses.

In reviewing protests of an agency's evaluation and source selection decision in procurements conducted under FSS procedures, we do not conduct a new evaluation or substitute our judgment for that of the agency. Harmonia Holdings Grp., LLC, B-413464, B-413464.2, Nov. 4, 2016, 2017 CPD ¶ 62 at 3. Rather, we examine the record to ensure that the agency's evaluation is reasonable and consistent with the terms of the solicitation. Id. For procurements conducted pursuant to FAR subpart 8.4 that require a statement of work, such as this one, FAR § 8.405-2(f) designates minimum documentation requirements. Nonetheless, in a FAR subpart 8.4 procurement, an agency's evaluation judgments must be documented in sufficient detail to show that they are reasonable.

# Technical Approach Factor Evaluation

The agency assessed Safai's quotation a weakness for failure to plan an annual kick-off meeting. AR, Tab K, Consensus Memorandum, at 10. Safal argues that the agency engaged in disparate treatment in assigning this weakness, because the awardee's quotation also did not contain an annual kick-off meeting, yet was not assessed a comparable weakness. The agency asserts that it reasonably assessed only the protester's quotation a weakness because only the protester's proposed management plan necessitated an annual kick-off meeting. Supp. Memorandum of Law (SMOL) at 7. The protester responds that the type of management plan is irrelevant to the assessment of a weakness, because the NCSRC PWS required an annual kick-off meeting. Protester's Comments on Supp. AR, citing AR, Tab C, NCSRC PWS, at task 1.

It is axiomatic that agencies are required to evaluate quotations on a common basis and in accordance with the terms of the solicitation; agencies may not properly engage in disparate treatment of vendors in the evaluation of quotations. See Fluor Fed. Solutions, LLC, B-410486.9, Jan. 18, 2017, 2017 CPD ¶ 334 at 6. Where a protester alleges disparate treatment in a technical evaluation, it must show that the differences in ratings did not stem from differences between the vendors' quotations. See Northrop Grumman Sys. Corp., B-406411, B-406411.2, May 25, 2012, 2012 CPD ¶164 at 8.

As the protester contends, the NCSRC PWS requires the contractor's project director (or equivalent) to attend one in-person kick-off meeting annually with the contracting officer's representative and agency personnel from the Charter Schools Program. AR, Tab C, NCSRC PWS, at task 1. We therefore agree with the protester that the assignment of a weakness only to Safal's quotation, rather than to its and the awardee's quotation, reflected disparate treatment.

The protester's quotation was also assessed a second weakness for proposing an approach that "heavily references consultation/direction with the Department which is contrary to the requirement in the PWS that technical assistance be driven primarily by the contractor." AR, Tab K, Consensus Memorandum, at 10. The agency argues that language in Safal's quotation providing that "[technical assistance] will be coordinated with [the agency] (e.g., via team calls with CSP staff) to minimize the iterations of review

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by [agency] staff" supports the reasonableness of the assessed weakness. SMOL at 6, quoting First Supp. Protest, supp. exh. A, Safal Technical Quotation, at 8. We do not agree that Safal's proposal simply to coordinate technical assistance with agency staff supports a conclusion that technical assistance will not be primarily driven by the contractor. The contemporaneous evaluation provides no further explanation for this weakness. The agency's subsequent explanation during the course of this protest, likewise, provides no further support for this conclusion.<sup>4</sup>

The agency also assessed Safal's quotation the following weakness:

Vendor will typically conduct meetings virtually, leveraging gatherings (e.g., the National Charter Schools Conference) to meet in person when possible. This may not be sufficient as the [subject matter experts] are integral parts throughout the PWS. By only meeting, potentially, once a year this could lower their efficiency and effectiveness.

AR, Tab K, Consensus Memorandum at 11. The protester argues that the rationale for the weakness was that the protester proposed to conduct the meeting virtually, rather than in person. We agree with the agency that the expressed concern was with the frequency of meetings, and we see no merit to the protester's claim that its quotation was assessed a weakness for incorporating virtual meetings.

Lastly, the agency assessed Safal's quotation a weakness under the technical approach factor for failure "to explain its methodology or approach moving forward to provide high quality technical assistance." <a href="Id.">Id.</a> at 10. In the agency's view, Safal's proposal provided an inadequate explanation of its approach, and instead sought to rely on its current performance as evidence of its methodology. Safal argues that the weakness is unreasonable, because its quotation noted that the protester will add staff, apply its quality assurance procedures to expanding technical assistance requirements, review needs assessments and assistance plans, and select partners with subject matter expertise and experience. First Supp. Protest at 6-7, quoting supp. exh. A, Safal Technical Quotation at 6. In our view, the agency reasonably assigned a weakness for Safal's failure to provide sufficient specificity as to how Safal would deliver high quality technical assistance. While the protester may disagree with the assessment of this weakness, Safal's disagreement, without more, is insufficient to demonstrate the

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<sup>&</sup>lt;sup>4</sup> In a filing submitted after record development was closed, the agency pointed to other instances where Safal's technical quotation provided support, in the agency's view, for DOE's contention that technical assistance will not be primarily driven by the contractor. Agency Comment, Dec. 31, 2018 at 2. The agency's filing notes three instances where Safal proposed to "coordinate" or "work[] with" the agency. Even though these arguments should have been included in the supplemental memorandum of law (MOL) or the supplemental contracting officer's statement of facts (COSF), there is not sufficient detail here to support the reasonableness of the assessed weakness that technical assistance would not be primarily driven by the contractor.

unreasonableness of the evaluation, and we find the allegation to be without merit. Maybank Indus., LLC, B-403327, B-403327.2, Oct. 21, 2010, 2010 CPD ¶ 249 at 4.

In summary, we conclude that two of the four weaknesses challenged by the protester under the technical approach factor were either disparately assessed or unsupported by the record.

Quality and Time Commitments of Proposed Personnel Factor Evaluation

Under the quality and time commitments of proposed personnel factor, the agency assigned a weakness to the protester's quotation on the basis that "there was not enough information to ascertain if the vendor plans to have enough staff associated with the project to effectively execute on specific tasks." 5 AR, Tab K, Consensus Memorandum, at 12. The protester argues that the assessment of this weakness was unreasonable because it was assessed solely on the basis of the narrative and labor charts in the protester's technical quotation, and, specifically, the absence of a more detailed breakdown of labor hours by table. First Supp. Protest at 9. Such a weakness was unreasonable, Safal maintains, because its business quotation made clear that ample hours and expertise were proposed for each task, and because the source selection authority had reviewed Safal's business quotation and was aware of the ample staffing. Safal argues that, if the source selection authority had independently evaluated Safal's quotation under the quality and time commitments of proposed personnel factor, employing his knowledge of Safal's business quotation, he would not have adopted the weakness in the consensus evaluation. In other words, Safal contends that the source selection authority should have used his knowledge of the

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<sup>&</sup>lt;sup>5</sup> The agency's assessment included the following specific examples:

Safal failed to mention the roles of the subject matter experts in the narrative for both the credit enhancement and state entity grantee support. AR, Tab K, Consensus Memorandum, at 12.

<sup>•</sup> The designation of only one subject matter expert for state entity grantee support compared to three for credit enhancement grantee support, along with a lack of clarity of the role of the subject matter experts, created a question as to whether Safal was adequately staffed for this portion of the requirement. Id.

<sup>•</sup> The agency was concerned that there was not enough staff with the right expertise to conduct the needs assessments. <u>Id.</u>

<sup>•</sup> Safal's quotation contained a discrepancy between its management charts and its narrative regarding the role of subcontractors; as a result, it was not clear what role the subcontractors would play in contract performance. <u>Id.</u> at 12-13.

Finally, the agency was unclear what type of coordination or collaboration with key stakeholders, policymakers, researchers, and practitioners was proposed or would occur where, again, the charts and narrative portions of the quotation contained a discrepancy. <u>Id.</u> at 13.

information contained in Safal's business quotation to inform his evaluation of Safal's technical quotation.

As a general matter, vendors must prepare their quotations within the format limitations set out in an agency's solicitation, including any applicable page limits. See DynCorp Int'I LLC, B-411126.4 et al., Dec. 20, 2016, 2017 CPD ¶ 333 at 14. Vendors that exceed a solicitation's established page limitations assume the risk that the agency will not consider the excess pages. Id. Our Office has explained that where a vendor's quotation incorporates material by reference and the agency considers that material, the additional material should be considered part of the page count. Id. Permitting a protester to satisfy requirements for one section of a quotation by reference to another section of the quotation would improperly circumvent quotation page limits, without allowing other vendors the same opportunity. Id. at 14-15.

The RFQ restricted vendors' technical quotations to 40 pages. RFQ at 78. Safal's technical quotation ran the full 40 pages permitted. First Supp. Protest, supp. exh. A, Safal Technical Quotation. Consequently, the source selection authority's consideration of information in Safal's business quotation--in the course of evaluating the technical quotation--would have effectively waived the page limitation to the Safal's competitive advantage. Because Safal's objection to its rating rests on the source selection authority's failure to consider information in Safal's business quotation, we see no merit to this allegation.

Competitive prejudice is an essential element of every viable protest. Where the protester fails to demonstrate that, but for the agency's actions, it would have had a substantial chance of receiving the award, there is no basis for finding prejudice, and our Office will not sustain the protest, even if deficiencies in the procurement are found with respect to the conduct of discussions. <u>IR Techs.</u>, B-414430 <u>et al.</u>, June 6, 2017, 2017 CPD ¶ 162 at 12.

As noted above, the awardee's quotation was rated higher than the protester's in all but the least important technical factor, and the awardee's quotation was significantly lower-priced, after the conduct of price discussions. To establish prejudice, Safal was required to demonstrate that, but for the agency's evaluation errors, the protester's higher-priced quotation would have been more highly rated than the awardee's, such that the protester's significant price premium was justified. We see no basis on this record to conclude that Safal was prejudiced by any of these errors.

#### Discussions

The protester asserts that the agency engaged in price discussions and unreasonably failed to conduct discussions of technical quotations. The agency argues that, in the "interest of resolving minor inconsistencies and/or clerical errors" in the vendors' business quotations, the contracting officer "allowed the vendors an equal opportunity to clarify or correct these minor inconsistencies." MOL at 11. The agency asserts that,

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because the agency did not conduct price discussions, it was not required to conduct technical discussions. <u>See id.</u> at 12-13.

Subpart 8.4 of the FAR provides that "[o]rdering activities may request a price reduction at any time before placing an order, establishing a [blanket purchase agreement (BPA)], or in conjunction with the annual BPA review. However, the ordering activity shall seek a price reduction when the order or BPA exceeds the simplified acquisition threshold." FAR § 8.405-4. Here, because the value of the task order exceeded the simplified acquisition threshold, the FAR required the agency to seek a price reduction. In our view, the agency's request that all three vendors consider providing final discounts to their GSA rates before submitting revised business quotations would not therefore be considered price discussions.

Safal also argues that the request that MSG complete the optional task matrix constituted discussions as conducted under FAR part 15 because MSG was afforded an opportunity to revise or modify its quotation. The protester argues that, absent the optional task matrix for MSG's quotation, it is questionable whether the agency could have calculated a total price for the awardee. Protester's Comments, Jan. 3, 2019, at 1. The protester asserts that MSG's price must have increased slightly in response to the agency's observation in the business questions that MSG's travel costs had not been included for all optional tasks. <u>Id.</u> at 2. The agency contends that the information requested in the business questions was not essential to determining the acceptability of the quotations, and instead provided the vendors the opportunity to resolve minor clerical mistakes. MOL at 12.

Where an agency conducts exchanges with vendors in a FAR subpart 8.4 procurement, those communications--like all other aspects of such a procurement--must be fair and equitable. <u>USGC, Inc.</u>, B-400184.2 <u>et al.</u>, Dec. 24, 2008, 2009 CPD ¶ 9 at 3. While the requirements of part 15 do not apply to procurements conducted under subpart 8.4 of the FAR, our Office looks to the standards and the decisions interpreting part 15 of the FAR for guidance in determining whether exchanges with vendors under a FAR subpart 8.4 procurement were fair and equitable. <u>Id.</u> Section 15.306 of the FAR describes a spectrum of exchanges that may take place between an agency and an offeror during negotiated procurements. Clarifications are "limited exchanges" between the agency and offerors that may allow offerors to clarify certain aspects of proposals or "to resolve minor or clerical errors." FAR § 15.306(a)(2). Where a mistake is minor, apparent, and easily correctable, we see no basis to conclude that an agency held discussions. <u>Pioneering Evolution, LLC, B-412016, B-412016.2, Dec. 8, 2015, 2015 CPD ¶ 385 at 11.</u>

Here, the record does not support a finding that the agency's request of MSG and the vendor's response constituted discussions rather than clarifications. As noted above, the business questions directed to MSG included the request that MSG complete the optional task matrix and include travel expense "even if repeated elsewhere." AR, Tab J, Business Questions at 1. The failure of MSG to compile the optional task matrix did not prevent the agency from calculating a total price that appears, from the record,

to have been accurate, except for the identified omission of certain travel expenses apparently included elsewhere in the quotation. This was, in our view, the kind of omission that was minor, apparent, and easily correctable, such that the correction of this error constituted clarifications.

# Impaired Objectivity OCI

Safal argues that the awardee's subcontractor, WestEd, has an impaired objectivity OCI, because of WestEd's role in performing the Charter Schools Monitoring and Data Collection (DCM) contract for the agency. A central requirement of that contract is the implementation of an on-site monitoring process for gathering information and data to ensure project performance by grantees. AR, Tab Q, DCM Contract, attach. A, PWS, at task 9. Monitors conduct an on-site visit and, after that visit, develop a draft monitoring report for agency review, which will eventually become a final report. Id. Based on the results included in all monitoring reports, the DCM contractor develops a comprehensive monitoring and data collection report with recommendations in writing for technical assistance to particular grantees. Id. The requirement at issue calls for the NCSRC contractor to provide individualized technical assistance to grantees addressing the findings identified in the grantee monitoring reports developed under the DCM contract. AR, Tab D, RFQ amend. 0001, NCSRC PWS, at task 3.4. In Safal's view, WestEd could benefit itself financially by both recommending grantees for technical assistance under the DCM contract and providing that assistance under the NCSRC contract.

After this protest was filed, the contracting officer conducted an analysis of the potential for an impaired objectivity OCI, focusing on the requirements of the DCM PWS. AR, Tab B, COSF at ¶¶ 33-35. The contracting officer states that the agency, and not WestEd, makes all relevant final determinations. See, e.g., AR, Tab B, COSF at ¶ 36 (noting that the agency makes all final decisions on both monitoring and technical assistance); id. at ¶ 38 (noting that WestEd lacks the authority to "direct" the decision to administer technical assistance to any grantee). The contracting officer did not explicitly find that WestEd did not have an OCI, although he did conclude that, based on a lack of authority, WestEd could not in the performance of the DCM contract funnel work to itself under the current requirement. See AR, Tab B, COSF at ¶¶ 27-39.

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<sup>&</sup>lt;sup>6</sup> The contracting officer states that, prior to award, he "reasonably relied on both WestEd and MSG's certifications that no actual or apparent OCI existed." AR, Tab B, COSF at ¶ 31. According to the contracting officer, MSG did not disclose any apparent or actual conflicts of interest. Id. at ¶ 30, citing AR, Tab H, MSG and WestEd Conflict of Interest Certifications; Tab I, MSG Conflict of Interest Plan. Reliance on firms' own certifications does not constitute meaningful examination. See C2C Innovative Solutions, Inc., B-416289, B-416289.2, July 30, 2018, 2018 CPD ¶ 269 at 8-9. We thus have no basis to conclude that the initial finding of no OCI, which was based solely on WestEd and MSG's self-certifications, was reasonable.

Contracting officers are required to identify and evaluate potential conflicts of interest as early in the acquisition process as possible, and to avoid, neutralize or mitigate potential significant conflicts of interest so as to prevent an unfair competitive advantage or the existence of conflicting roles that might impair a contractor's objectivity. FAR §§ 9.504(a), 9.505; PURVIS Sys., Inc., B-293807.3, B-293807.4, Aug. 16, 2004, 2004 CPD ¶ 177 at 7. In reviewing protests that challenge an agency's conflict of interest determination, our Office reviews the reasonableness of the contracting officer's investigation. Where an agency has given meaningful consideration to whether an OCI exists--even when this consideration is given after award--we will not substitute our judgment for the agency's, absent clear evidence that the agency's conclusion is unreasonable. Superlative Techs., Inc.; Atlantic Sys. Grp., Inc., B-415405 et al., Jan. 5, 2018, 2018 CPD ¶ 19 at 5. The identification of conflicts of interest is a fact-specific inquiry that requires the exercise of considerable discretion. Diversified Collection Servs., Inc., B-406958.3, B-406958.4, Jan. 8, 2013, 2013 CPD ¶ 23 at 6. A protester must identify hard facts that indicate the existence or potential existence of a conflict: mere inference or suspicion of an actual or potential conflict is not enough. SRM Grp., Inc., B-410571, B-410571.2, Jan. 5, 2015, 2015 CPD ¶ 25 at 9.

An impaired objectivity OCI arises where a firm's ability to render impartial advice to the government would be undermined by the firm's competing interests. FAR § 9.505-3; Council for Logistics Research, Inc., B-410089.2, B-410089.3, Feb. 9, 2015, 2015 CPD ¶ 76 at 9. The concern in such impaired objectivity situations is that a firm's ability to render impartial advice to the government will be undermined by its relationship to the product or service being evaluated. Diversified Collection Servs., Inc., supra at 5.

It is well settled that, where, as here, a contractor is expected to offer its input to the agency, the contractor may have an OCI, even where the agency is not relying solely on the contractor's input, and where the government retains the ultimate decision-making authority. ASM Research, B-412187, Jan. 7, 2016, 2016 CPD ¶ 38 at 9 n.5, see also Nortel Gov't Solutions, Inc., B-299522.5, B-299522.6, Dec. 30, 2008, 2009 CPD ¶ 10 at 6. As discussed above, WestEd had substantial involvement in the monitoring processes under the DCM contract that would lead, eventually, to technical assistance services being provided to grantees under the NCSRC contract. The contracting officer's assertion that WestEd's lack of final authority mitigates the subcontractor's impaired objectivity OCI is unsupported. Because the contracting officer's OCI

(continued...)

<sup>&</sup>lt;sup>7</sup> The contracting officer also references the declaration from an agency Group Leader reputed to have knowledge of the relevant PWSs. AR, Tab B, COSF at ¶¶ 36-38, citing AR, Tab P, Decl. of Group Leader. That agency official argued that only new grantees that have not received services under the DCM contract would be receiving technical assistance under subtask 3.4 of the NCSRC PWS. Thus, there could be no steering of business by WestEd in its performance of the DCM contract. AR, Tab P, Decl. of Group Leader at ¶ 25. As noted above, the NCSRC PWS requires the contractor to provide individualized technical assistance to grantees addressing the findings identified in the grantee monitoring reports. AR, Tab D, RFQ amend. 0001, NCSRC PWS at

analysis applied an improper legal standard to the facts of this case, we have no basis on which to conclude that the finding of no OCI was reasonable, and we sustain the protest on this basis.

#### RECOMMENDATION

We recommend that the agency conduct and adequately document a new OCI analysis. We also recommend that Safal be reimbursed its reasonable costs of filing and pursuing its protest. Bid Protest Regulations, 4 C.F.R. §21.8(d)(1). The protester's certified claim for costs, detailing the time expended and costs incurred, must be submitted directly to the agency within 60 days after receipt of this decision. Id. §21.8(d)(1).

The protest is sustained in part and denied in part.

Thomas H. Armstrong General Counsel

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<sup>(...</sup>continued)

subtask 3.4. This subtask makes no reference to new grantees. Indeed, nothing in the record supports the accuracy of the statement that grantees being provided services under subtask 3.4 of the NCSRC could not have received monitoring under the DCM contract. The agency essentially concedes as much, asserting that the Group Leader was "not a contracting officer, contract specialist, or an attorney," and that "she may have been confused about the explicit provision of the NCSRC Contract" that is at the center of the protest. Agency Response to GAO Question, Dec. 7, 2018 at 2.