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Decision

Matter of: CEdge Software Consultants, LLC

File: B-418128.2; B-418128.3; B-418128.4; B-418128.5

Date: March 19, 2020

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Colonel Patricia S. Weigman-Lenz, Heather M. Mandelkehr, Esq., Lieutenant Colonel Nathaniel H. Sears, and Alexis J. Bernstein, Esq., Department of the Air Force; and Robert J. Depke, Esq. and Kenneth M. Roth, Esq., United States Transportation Command, for the agencies.

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

DIGEST

Protest is sustained in a negotiated procurement for the issuance of a task order on a best-value tradeoff basis, in which the solicitation provided for a comparative, qualitative evaluation of quotations, where there is no evidence in the record showing that the agency performed a qualitative assessment of the merits of the vendors' differing technical approaches to support its source selection decision.

DECISION

CEdge Software Consultants, LLC (CEdge), a small business of Creve Coeur, Missouri, protests the issuance of a task order to TekSynap Corporation, a small business of Reston, Virginia, under request for quotations (RFQ) No. HTC711-19-Q-D005, issued by the United States Transportation Command (USTRANSCOM) for enterprise information technology (IT) services support for the military surface deployment and distribution command (SDDC).¹ The protester alleges the agency miscalculated quotations and made an unreasonable source selection decision.

¹ The Department of the Air Force is defending the protest on behalf of USTRANSCOM, one of eleven unified combatant commands within the Department of Defense (DOD).

We sustain the protest.

BACKGROUND

On June 14, 2019, USTRANSCOM issued the RFQ under the General Services Administration (GSA) 8(a) Streamlined Technology Acquisition Resources for Services II governmentwide acquisition contract. Contracting Officer's Statement (COS) at 2; Protest at 1. The RFQ contemplated the issuance of a task order, on a best-value tradeoff basis, for a base period and four 1-year options to provide enterprise IT services support at Scott Air Force Base, Illinois and SDDC activities worldwide. Agency Report (AR), Tab 3, RFQ at 1, 8²; Protest at 1. The RFQ provided that vendors would submit the technical capability section of their quotations via an oral presentation using Microsoft PowerPoint slides.³ RFQ at 4-5. The RFQ did not limit the number of slides the vendors could submit, but restricted the agency's evaluation to consider only slides briefed during oral presentations.⁴ Id. at 3. The RFQ also specified that, outside of a staffing matrix and the PowerPoint slides, written technical proposals would not be accepted. Id. at 5.

The RFQ advised vendors that the agency would evaluate quotations considering price and the two non-price factors, technical capability and past performance. RFQ at 8-9. The technical capability factor contained six unnamed subfactors which were of equal importance.⁵ Id. The non-price evaluation factors, when combined, were deemed to be approximately equal to price. Id. at 8.

For the evaluation of price, the RFQ stated the agency would calculate each vendor's total evaluated price by adding the total proposed price of the base period, all option

See 10 U.S.C. §§ 161-168. The mission of USTRANSCOM is to provide air, land, and sea transportation for the DOD, both in peace and wartime.

² Citations to the record are to the numbered pages provided by the agency in its report, unless otherwise noted.

³ The RFQ also required vendors to submit written introduction, price, and past performance sections as part of their quotations; however, the form of these sections are not relevant to this protest. See RFQ at 2-3.

⁴ Notably, the RFQ established that the agency would not record the oral presentations. RFQ at 5.

⁵ The first five subfactors, labeled only by number, identified areas in which the vendor was to "demonstrate knowledge" or present a "comprehensive approach," to meeting certain Performance Work Statement (PWS) requirements. RFQ at 5. Subfactor six required the vendor to submit a staffing matrix identifying the proposed labor categories and labor hours by task area and stated that the vendor was to describe its staffing approach as reflected by the staffing matrix in its presentation. Id. at 6.

periods, and the potential 6-month extension of services possible under Federal Acquisition Regulation (FAR) clause 52.217-8. Id. at 10-11. The RFQ advised that the total evaluated price would be evaluated for reasonableness. Id. at 11. The quoted price for the transition period would not be included in the total evaluated price but would be evaluated for reasonableness. Id.

For the evaluation of quotations under the technical capability factor, the RFQ stated that quotations should present a comprehensive approach to ensuring quality service and the agency would evaluate the vendors' technical capability under each subfactor to determine whether they "indicate[] an exceptional approach and understanding." Id. The RFQ advised vendors that the agency would assign an adjectival rating of superior, acceptable, or unacceptable to each subfactor.⁶ Id. The RFQ provided that five of the technical subfactors would be evaluated by how well the vendor demonstrated knowledge and experience with regard to specified elements of the services to be provided. Id. at 11-12. For subfactor 6, which is of particular relevance here, the RFQ provided that the agency would evaluate vendors' staffing plans. Id. at 12. The RFQ specified that award would not be made to a vendor who received an unacceptable rating in its technical capability evaluation. Id. at 10.

For past performance, the RFQ advised that the agency would evaluate recent and relevant past performance and assign an adjectival rating of confidence or no confidence.⁷ Id. at 14-15. The RFQ provided that the agency would make a best-value tradeoff decision based on its evaluation of technical capability and price, and only evaluate the past performance of an apparent awardee. Id. at 10.

In response to the RFQ, the agency received five timely quotations, including those of the protester and TekSynap. COS at 7. The agency conducted the oral presentations, evaluated the quotations, engaged in what the agency now terms discussions⁸ with the

⁶ The RFQ defined a superior rating as "[t]he quote meets requirements and indicates an exceptional approach and understanding of the PWS which provides benefit to the [g]overnment," an acceptable rating as "[t]he quote meets all the requirements identified by the PWS," and an unacceptable rating as "[t]he quote fails to meet one or more requirements in the PWS." RFQ at 11.

⁷ The RFQ defined a confidence rating as "[b]ased on the [v]endor's recent/relevant performance record, the [g]overnment has a reasonable expectation that the vendor will successfully perform the required effort." RFQ at 14. The RFQ defined a no confidence rating as "[b]ased on the [v]endor's recent/relevant performance record, the [g]overnment has no expectation that the vendor will be able to successfully perform the required effort." Id. at 15.

⁸ The record demonstrates that the agency originally referred to its exchanges with offerors to be clarifications. See AR, Tab 17, TekSynap Discussions. However, in its pleadings the agency states that it engaged in discussions with the vendors. See, e.g., First Supp. COS/Memorandum of Law (COS/MOL) at 10. We note that the regulations

vendors, and, upon the conclusion of discussions, issued a task order to TekSynap. Id. at 7; see also AR, Tab 9, Source Selection Evaluation Team (SSET) Report at 2. CEdge then filed a protest with our Office on October 7, 2019, alleging that the agency's source selection decision had failed to look behind the adjectival ratings and abandoned the RFQ's best-value evaluation scheme in favor of a lowest-price technically acceptable approach, and that the agency had improperly evaluated CEdge's quotation. COS at 7. On October 23, the agency advised our Office that it intended to take corrective action, specifying that it intended to at a minimum, make a new source selection decision. AR, Tab 8, Notice of Corrective Action at 1. Due to the agency's corrective action, our Office dismissed that protest as academic. CEdge Software Consultants, LLC, B-418128.1, Oct. 29, 2019 (unpublished decision).

The agency assigned a new source selection authority (SSA) and re-evaluated the quotations.⁹ COS at 7-8. The agency evaluated the vendor's final quotations as follows:

	CEdge	TekSynap	Vendor A	Vendor B	Vendor C
Technical Approach					
Subfactor 1	Acceptable	Acceptable	Acceptable	Acceptable	Unacceptable
Subfactor 2	Acceptable	Acceptable	Acceptable	Acceptable	Unacceptable
Subfactor 3	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable
Subfactor 4	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable
Subfactor 5	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable
Subfactor 6	Acceptable	Acceptable	Acceptable	Acceptable	Unacceptable
Total Evaluated Price	\$46,274,108	\$43,855,910	\$48,783,090	\$55,259,011	\$48,401,808
Past Performance	Not Evaluated	Confidence	Not Evaluated	Not Evaluated	Not Evaluated

concerning discussions under FAR part 15 do not, as a general rule, govern task and delivery order competitions conducted under FAR part 16.

⁹ The agency states that the re-evaluation of quotations was based, in part, on the vendors' oral presentations. COS at 8. However, the record does not indicate that the agency conducted new oral presentations and, as discussed above, oral presentations were not recorded. See RFQ at 5. Accordingly, it is unclear to what extent the actual oral presentations conducted more than 3 months previously were utilized in the reevaluation.

AR, Tab 10, SSET Report at 23. After the reevaluation, the agency again concluded that TekSynap's quotation represented the best value to the government. After being advised of the agency's source selection decision, CEdge filed the instant protest.¹⁰

DISCUSSION

CEdge argues that the agency improperly found that all four technically acceptable quotations were technically equivalent and asserts that the agency's evaluation here converted the basis for award from a best-value tradeoff to a lowest-priced, technically acceptable source selection methodology.¹¹ Protest at 11-16. CEdge also contends that the agency's evaluation of the technical capability factor was unreasonable. Protest at 17-22; Protester's Comments & Supp. Protest at 16-27. CEdge asserts that the RFQ promised a "qualitative evaluation of quotations under six technical subfactors" rather than an evaluation on a pass/fail or technically acceptable basis. Protest at 13. However, the protester points out that the contemporaneous record does not include any qualitative assessment of the quotations, nor does the source selection decision include any comparative analysis. Protester's Comments & Supp. Protest at 9.

More specifically, the protester alleges that the contemporaneous record "is completely devoid of a qualitative and comparative analysis" of CEdge's and TekSynap's staffing approaches. Protester's Third Supp. Comments at 13. In this regard, CEdge notes that the awardee proposed significantly fewer staff and labor hours to perform the task order than CEdge proposed. Protester's First Comments & Supp. Protest at 25. CEdge argues that TekSynap proposed a relatively inferior staffing plan, and that the agency's conclusion that the two staffing plans were essentially technically equal is unreasonable and contrary to the record. Protester's Second Supp. Comments & Supp. Protest at 24-26.

The agency argues its evaluation of the quotations' technical capability was reasonable. See First Supp. COS/MOL at 2-6. Regarding the evaluation of the staffing plans, the agency argues that its evaluation of TekSynap's staffing plan was reasonable where it found that TekSynap's presentation and slides had communicated an understanding of

¹⁰ The task order at issue is valued in excess of \$10 million, and was issued under an indefinite-delivery, indefinite-quantity contract established by GSA. Accordingly, our Office has jurisdiction to consider CEdge's protest. 41 U.S.C. § 4106(f)(1)(B).

¹¹ CEdge also contends that the agency improperly considered past performance as part of the best-value tradeoff decision; that the contracting officer improperly conducted a best-value tradeoff analysis in the price analysis; and that the agency engaged in misleading discussions with CEdge regarding its staffing approach. Protester's Comments & Supp. Protest at 27-31. With the exception of the allegations discussed in this decision, we have considered all of CEdge's allegations and find none provide a basis to sustain a protest. CEdge also alleged that the agency relied on an incorrect price differential in conducting its best-value analysis, but later withdrew this allegation. Id. at 31-32; Protester's First Supp. Comments & Supp. Protest at 37, n.5.

all staffing needs of the PWS requirement. Id. at 5-6. However, in its initial response, the agency did not respond to the argument that it failed to perform a comparative analysis between TekSynap's and CEdge's staffing plans, and specifically did not address the difference in proposed labor hours. See Id. Upon a request from our Office to respond to the protester's argument, the agency still did not provide any analysis of the relative merits of TekSynap's and CEdge's staffing plans or otherwise explain how it reasonably found the two quotations to be essentially equal, despite the difference in proposed labor hours. Second Supp. COS/MOL at 7.

Instead, the agency contends that the solicitation only required it to evaluate each vendor's proposed staffing against their individual technical approaches for sufficiency, essentially arguing that it was not required to qualitatively assess the proposed staffing plans beyond technical acceptability. Id. Further, the agency acknowledges that it never considered the relative merits of the proposed staffing plans, to include stating that the amount of hours proposed by one vendor is irrelevant to another. Id. at 7-8. The agency also asserts that the protester's argument is an attempt "to compare apples to oranges." Id. In short, the agency argues that once it evaluated both staffing plans as acceptable, the SSA was not required to look behind the adjectival ratings or otherwise explain why it considered the different staffing plans to be technically equal. We agree with the protester that the agency has not reasonably explained why the differences in the proposed staffing plans were not significant.

In reviewing an agency's evaluation and source selection decision in a task order competition, we do not reevaluate quotations but examine the record to determine whether the evaluation and decision were reasonable, and in accordance with the RFQ's evaluation criteria, along with applicable procurement statutes and regulations. CGI Federal Inc., B-403570 et al., Nov. 5, 2010, 2011 CPD ¶ 32 at 14. Here, the RFQ provided that award would be made on a best-value tradeoff basis, considering price and technical capability. RFQ at 10. The RFQ further stated that quotations should present a comprehensive approach to ensuring quality service and the agency would evaluate the vendors' technical capability to determine whether they "indicate[] an exceptional approach and understanding." Id. at 11.

The RFQ also specified that the agency may pay a price premium where the premium is proportionate "to the benefits associated with the proposed margin of service superiority." Id. at 10. Thus, the solicitation provided for the evaluation of technical approach on a qualitative basis that considered the relative margins of service superiority. Where, as here, the solicitation anticipates the use of a best-value tradeoff source selection methodology as opposed to a source selection methodology based on low price and technical acceptability, the evaluation of quotations is not limited to determining whether a quotation is merely technically acceptable; rather, quotations should be further differentiated to distinguish their relative quality under each stated evaluation factor by considering the degree to which technically acceptable quotations exceed the stated minimum requirements or will better satisfy the agency's needs. See CPS Professional Services, LLC, B-409811, B-409811.2, Aug. 13, 2014, 2014 CPD ¶ 260 at 6; see also M7 Aerospace LLC, supra at 4.

Also, our Office has consistently explained that evaluation ratings are merely guides for intelligent decision-making in the procurement process; the evaluation of quotations and consideration of their relative merit should be based upon a qualitative assessment of quotations consistent with the solicitation's evaluation scheme. Arctic Slope Tech. Servs., Inc., B-411776, B-411776.2, Oct. 20, 2015, 2017 CPD ¶ 6 at 7. As relevant here, agencies may find that vendors' quotations are technically equivalent, even where there are differences between the quotations, but the selection official must explain the basis for why the quotations are considered technically equivalent. Id.

In this regard, FAR part 16 requires that agencies document the basis for award and the rationale for any tradeoffs among cost or price and non-cost considerations in making the award decision. FAR § 16.505(b)(7). While there is no need for extensive documentation of every consideration factored into a source selection decision, the documentation must be sufficient to establish that the agency was aware of the relative merits and prices of the competing quotations, and that the source selection was reasonably based. HP Enterprise Servs., LLC, B-413888.2, et al., June 21, 2017, 2017 CPD ¶ 239 at 9. An agency that fails to adequately document its source selection decision bears the risk that our Office may be unable to determine whether the agency had a reasonable basis for its source selection decision. Arctic Slope Tech. Servs., Inc., supra at 5; see also M7 Aerospace LLC, B-411986, B-411986.2, Dec. 1, 2015, 2016 CPD ¶ 100 at 4 (sustaining a protest where the agency failed to adequately document its determination that two proposals were technically equivalent despite a significant difference in proposed staffing).

The record of the agency's evaluation and source selection produced in response to this protest is comprised of the SSET's consensus evaluation report¹² and the SSA's source selection decision document (SSDD). AR, Tab 10, SSET Report; AR, Tab 9, SSDD. These materials factually describe portions of each vendor's quotation, but do not discuss to any meaningful degree the advantages or disadvantages of each vendor's proposed approach, or the comparative differences between the quotations.

Specifically, the agency's summary evaluation of TekSynap's staffing plan states:

TekSynap's quot[ation] meets all the requirements identified in the PWS in this sub-factor.

TekSynap's overall staffing plan demonstrated an acceptable approach that is consistent with the requirements identified in the PWS. The proposed Staffing Plan provides the Government confidence TekSynap has a thorough

¹² The SSET report consists of a summary of the evaluation and source selection recommendation to the Source Selection Authority. AR, Tab 10, Consensus Evaluation Report at 1-18. The consensus evaluation report also included as attachments the price analysis, the consensus evaluation worksheets, the past performance evaluation, and a quotation compliance checklist. Id. at 19-70.

understanding of the requirements needed to successfully perform the PWS tasks.

AR, Tab 10, SSET Report at 16. The agency's summary evaluation of CEdge's staffing plan is nearly identical to the evaluation of TekSynap's staffing plan; it states:

CEdge's quot[ation] meets all the requirements identified in the PWS in this sub-factor.

CEdge's approach clearly and reasonably communicates an understanding of the effort that is consistent with the PWS requirements. CEdge's overall staffing plan demonstrated an acceptable approach that is consistent with the requirements identified in the PWS. The proposed Staffing Plan provides the Government confidence CEdge has a thorough understanding of the requirements needed to successfully perform the PWS tasks, based on their approach, the proposed labor categories to execute that approach and hours supporting the tasks.

Id. at 11. Neither staffing plan is discussed in any more detail in the evaluation worksheets, which contain almost verbatim statements of technical acceptability. Id. at 37, 59. The SSET's award recommendation concluded that the four acceptable proposals were technically equal and that no vendor provided a technical approach superior to the others. Id. at 17. Notably, there is no analysis or discussion of the relative merits of the vendors' very different staffing plans in the SSET's award recommendation. Id. The SSA agreed with the SSET's analysis, noting that none of the vendors offered "any meaningful distinctions which would provide a qualitatively dispositive approach." AR, Tab 9, SSDD at 4. The SSA also did not provide any comparative analysis of the vendors' staffing approaches in her source selection decision. See Id.

Altogether, the contemporaneous record does not include any information to support the conclusion that the agency, in making its source selection decision, performed a meaningful, qualitative assessment or critical comparative analysis of the quotations under the technical capability factor,¹³ and specifically not in the staffing plan subfactor.

¹³ The only evidence in the record that the agency may have qualitatively considered the technical quotations beyond whether they were technically acceptable is found in a single paragraph in the SSET's award recommendation, which states:

Although some offerors provided excellent approaches in some of the subfactors, none provided enough of an additional benefit to warrant a [] superior rating. For example, TekSynap provided a solid approach to every sub-task within the evaluation criteria; CEdge reflected historical knowledge and experience; FedITC had a great recruitment and retention plan that promised fast and effective vacancy actions, as well as had considerable [risk management framework

For example, the record shows that there were significant differences in the number of labor hours proposed by TekSynap and CEdge. Specifically, the record shows that TekSynap proposed 17 percent fewer labor hours compared to the labor hours proposed by CEdge. AR, Tab 10, SSET Report at 23. TekSynap's quoted price was, however, only six percent lower than CEdge's. Id. Moreover, the record shows that TekSynap proposed 17-20 percent fewer labor hours than the other two technically acceptable vendors proposed. Id. Notably, TekSynap also proposed 13 percent fewer labor hours than the vendor whose staffing plan was found to be technically unacceptable. Id. In sum, TekSynap's proposed number of labor hours was significantly below what any other vendor proposed.¹⁴

To the extent any qualitative assessment or critical analysis of the different staffing plans was actually performed, it either was not documented, or not provided to our Office and is not supported or corroborated by the information in the contemporaneous record.¹⁵ Thus, there is no evidence the difference between TekSynap's and CEdge's proposed staffing plans was known to, considered, or relied upon, by either the SSET or the SSA at the time the agency made its source selection decision.

(RMF)] experience and an RMF history with SDDC; and InquisIT provided a solid approach to Sharepoint development and administration.

AR, Tab 10, SSET Report at 17. However, outside of this paragraph, there is nothing in the contemporaneous evaluation documents detailing these otherwise unacknowledged excellent approaches. Compare, e.g., Id. at 7, 43 (finding only that FedITC presented an "acceptable approach to the [RMF] documentation . . . in line with the government[']s expectations"), with Id. at 17 (using FedITC's "considerable RMF experience" as an example of an excellent approach).

¹⁴ Vendors proposed staffing for the base year and all option periods. The record shows that TekSynap proposed [deleted] labor hours for performance of the entire task order. AR, Tab 10, SSET Report at 23. The other technically acceptable vendors proposed [deleted] and [deleted] labor hours. Id. The vendor with the staffing plan that was found technically unacceptable, proposed [deleted] labor hours. Id.

¹⁵ For example, in response to a separate allegation by the protester, the agency argues that its evaluation of TekSynap's staffing plan reasonably found TekSynap could meet the PWS requirements despite eliminating certain positions in option years based on staffing efficiencies TekSynap proposed. Third Supp. COS/MOL at 4. In support, the agency identifies nominal staffing efficiencies which were captured in TekSynap's slides and allegedly elaborated upon during oral presentations, including "maintaining base year staffing levels to ensure continuity of operations." Id.; AR, Tab 15, TekSynap Technical Approach (Original) at 17. Our review of the record revealed no discussion or explanation of how a staffing approach that includes maintaining base year staffing levels throughout a potential 5-year term of performance explains the reasonableness of TekSynap's proposed decreased staffing in option years.

In the final analysis, the agency may have had a reasonable basis for concluding, notwithstanding the significant differences in TekSynap's and CEdge's proposed staffing approaches, that the quotations nonetheless were technically equal. However, in the absence of any explanation in the contemporaneous evaluation record, we cannot assess the reasonableness of the agency's conclusion. Further, the absence of meaningful critical analysis or qualitative assessment of the quotations under the remaining elements of the technical approach factor, also leaves us to guess at the reasonableness of the agency's broader conclusion that all four technically acceptable quotations were essentially equal. We therefore sustain CEdge's protest.¹⁶

RECOMMENDATION

We recommend that USTRANSCOM reevaluate all vendors' technical quotations and prepare an evaluation record that adequately describes and documents the qualitative assessment of quotations against all source selection criteria in the solicitation. We further recommend that the agency make a new source selection decision after performing that reevaluation. Should the agency conclude that another firm should properly be issued the task order, we recommend that the agency terminate TekSynap's task order for the convenience of the government and issue the task order to that firm. Finally, we recommend that the agency reimburse CEdge the costs associated with filing and pursuing its protest, including reasonable attorney's fees. The protester should submit its certified claim for costs, detailing the time expended and costs incurred, directly to the contracting agency within 60 days after receipt of this decision. 4 C.F.R. § 21.8(f)(1).

The protest is sustained.

Thomas H. Armstrong

¹⁶ CEdge also alleges that the agency's consideration of some of TekSynap's responses to discussion questions violated the terms of the RFQ. Protester's First Supp. Comments & Supp. Protest at 35-36. As noted above, the RFQ prohibited the submission of written technical proposals outside of PowerPoint slides and limited the agency's evaluation of technical capability to oral presentations and the slides. RFQ at 3, 5. Accordingly, during discussions, in accordance with its interpretation of the RFQ, the agency limited technical revisions to altered slides and would not accept newly created slides. See, e.g., AR, Tab 17, TekSynap Discussions, at 1. In responding to agency discussions, TekSynap submitted voluminous written information in the notes sections of its PowerPoint slides instead of attempting to convey this information in revised slides. Id. at 6; AR, Tab 23a, TekSynap Discussion Slides, Aug. 20, 2019. Given our conclusion above, it is unclear to what extent the agency relied upon or even considered the information provided by TekSynap in these slide notes. Accordingly, we do not decide here whether TekSynap's discussions submissions provide a basis to sustain CEdge's protest as, on this record, we cannot determine whether the protester was prejudiced by the agency's actions.

General Counsel