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Decision

Matter of: Exceed, LLC

File: B-419010

Date: November 17, 2020

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DIGEST

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

DECISION

Exceed, LLC, a small disadvantaged business of Lanham, Maryland, protests the issuance of a task order to Insight Technology Solutions, Inc., a small business of Bowie, Maryland, under request for quotations (RFQ) No. 70Z02320QMMZ11100, issued by the Department of Homeland Security, United States Coast Guard, for customer service support at the National Maritime Center in Martinsburg, West Virginia. Exceed challenges the agency's evaluation of its quotation and the best-value tradeoff decision.

We deny the protest.

BACKGROUND

On June 11, 2020, the Coast Guard issued the RFQ under the procedures of Federal Acquisition Regulation subpart 8.4 to vendors holding the General Services Administration's professional services schedule contracts, special item number 874-7, for integrated business program support services. Agency Report (AR), Tab 3, RFQ

Amend. 2 at 2.¹ The solicitation was set aside for small businesses, under North American Industry Classification System (NAICS) code 541611, administrative management and general management consulting services, and anticipated award of a single fixed-price task order for a base year and four 1-year option periods. *Id.*

The RFQ provided for evaluation using a two-phase advisory down-select process. *Id.* In phase 1, the agency would evaluate vendors' technical approach quotations; after evaluating those quotations, the agency would invite the most highly rated vendors to proceed to phase 2. *Id.* In phase 2, vendors were to submit their management approach and price quotations. *Id.* at 3. Relevant to the protest, the agency's evaluation of the management approach factor would result in the assignment of a confidence rating: high confidence, some confidence, or low confidence. *Id.* at 8-9.

The solicitation advised that the task order would be issued to the vendor whose quotation represented the best value to the government based on the following evaluation factors: technical approach, management approach, and price. *Id.* at 10-11. The technical approach factor was more important than the management approach factor, and the technical factors, when combined, were significantly more important than price. *Id.* at 11.

As relevant to this protest, vendors were instructed to address five topics in their management approach quotations: (1) management plan; (2) quality control plan (QCP); (3) staffing plan; (4) transition plan; and (5) key personnel. *Id.* at 6-7.

A vendor's management plan had to "include the [proposed] approach to effectively manage personnel working on this requirement." *Id.* at 6. The management plan was also required to "explain [vendors'] communication procedures and organization charts . . . as well as the work process flow for handling any performance issues." *Id.* at 6. As relevant here, the RFQ advised that the agency would "evaluate how well the [o]fferor explains . . . the effectiveness of their work process flow for handling performance issues." *Id.* at 9.

In addition to the management plan, vendors were instructed to provide a draft QCP in their management approach quotations. *Id.* at 6. The draft QCP had to "describe the inspection system for PWS [performance work statement] [s]ections 3.1-3.3, including the description of methods to be used to record quality control inspection and corrective actions to be performed." *Id.* In terms of evaluation of the QCP, the RFQ provided that the agency would "evaluate the degree to which the draft portions of the QCP provide [the government with] confidence in the [o]fferor's ability to maintain successful performance throughout the life of the [t]ask [o]rder." *Id.* at 9.

¹ The RFQ has been amended twice. Citations to the RFQ are to the second amended copy, which incorporated the initial RFQ and was provided in the agency report at tab 3.

The Coast Guard received twelve technical approach quotations in phase 1. Unsuccessful Offeror Letter at 1. After evaluating the quotations, the agency invited five vendors, including Exceed and Insight, which both received a rating of high confidence, to proceed to phase 2.² AR, Tab 7, Award Decision at 2. After evaluating management approach quotations and price, the agency’s final evaluation results were as follows:

	Exceed	Vendor A	Insight
Technical Approach	High Confidence	High Confidence	High Confidence
Management Approach	Some Confidence	High Confidence	High Confidence
Total Evaluated Price	\$6,425,689	[REDACTED] ³	\$6,438,793

Id.

The Coast Guard concluded that Exceed’s management approach warranted only a “some confidence” rating, based on three issues that decreased the agency’s confidence in Exceed’s ability to successfully perform the solicited requirement. *Id.* at 3. Specifically, the agency identified flaws in Exceed’s management plan, QCP, and quality control system. *Id.*

First, related to Exceed’s management plan, the agency noted that the protester failed to describe its “approach to address on-going performance issues.” *Id.* In particular, the agency’s evaluation report states the following:

Offeror’s proposed management plan did not provide a process for addressing performance issues throughout the lifespan of the contract. The only reference to performance issues was during the 90 day probation period for new hires. High performing and qualified staff is essential and so is addressing underperformance or personnel issues. The lack of a clear process for performance issues increases risk for underperforming staff communicating inaccurate information to the customer This lowers the confidence that the Offeror understands the requirement, proposes a sound approach, or will be successful in performing the Contract even with Government intervention.

AR, Tab 6, Consensus Evaluation Report at 1-2.

Next, the agency found that Exceed’s proposed “approach for corrective actions” provided in its draft QCP failed to propose a clear process for correcting deficient performance of its employees. *Id.* at 3; *see also* AR, Tab 7, Award Decision at 3 (determining that Exceed’s proposed corrective action plan was “unclear.”). For that

² Exceed is an incumbent on the current National Maritime Center contract, along with its teaming partner, Knight Point Systems. AR, Tab 5, Exceed’s Management Approach Quotation at i.

³ The total evaluated price proposed by vendor A was redacted in the agency report.

reason, the agency concluded that Exceed's proposed approach lowers the confidence of the government that Exceed could properly address corrective actions. *Id.*

Finally, regarding Exceed's proposed quality control approach, the evaluators found that the firm's proposed method of performing and documenting quality control inspections was "unclear and confusing"; specifically, Exceed proposed that the quality control (QC) manager would periodically review the "inspection log entries" for inspections she earlier performed, as indicated by the "schedule of inspections" chart. *Id.*

In the award decision document, the source selection authority (SSA) noted that while Exceed's technical approach quotation received a high confidence rating, the protester's quotation included some aspects that lowered the agency's confidence in the firm's approach. AR, Tab 7, Award Decision at 3. As stated above, the protester's quoted price of \$6,425,689 was the second lowest of the five vendors invited to phase 2, and about 0.2 percent lower than Insight's. *Id.* at 4. However, explaining that the technical factors were significantly more important than price, and that vendor A and Insight both received high confidence ratings for their technical quotations, the SSA concluded that Exceed could not be "considered the best value and should be removed from further consideration." *Id.* at 4.

The SSA then conducted a tradeoff analysis between vendor A's and Insight's quotations, finding that Insight's quotation represented the best value to the government. *Id.* at 6. On August 6, 2020, the agency awarded a task order to Insight. This protest followed.

DISCUSSION

Exceed challenges the Coast Guard's evaluation of its management approach quotation and the agency's best-value determination. With respect to its management approach quotation, the protester argues that the agency "erroneously downgraded" its rating based on three perceived issues, none of which were justified. In this regard, the protester contends that the agency overlooked or ignored relevant information in Exceed's quotation and imposed unstated evaluation criteria. We have considered all of Exceed's allegations and find no basis to sustain the protest. Below, we discuss Exceed's principal contentions.

Evaluation of Management Approach

First, the protester contends that the Coast Guard overlooked or ignored information included in its quotation regarding the work process for addressing performance issues. Exceed argues that its management plan included "a detailed process and roadmap for addressing performance issues," and points to various elements of its quotation in support. Protest at 5-6. Specifically, the protester refers to several features in its quotation as specific solutions to performance-related issues; these include its "problem escalation procedures"; proposed monthly customer meetings; biannual formal project performance reviews; and its retention and recruitment plan. *Id.* at 6-8.

In response, the agency disputes Exceed's contentions and states that Exceed's management approach "contains no identifiable explanation" of its proposed process for handling performance issues. Contracting Officer's Statement and Memorandum of Law (COS/MOL) at 4. The Coast Guard explains that while Exceed's management plan uses phrases such as "performance requirements" or "performance metrics," they "refer[] to the requirements of a PWS" and "[c]ontractor's performance" and not to the personnel or staff performance issues which the vendors were required to address. *Id.* at 5.

In reviewing protests challenging an agency's evaluation of quotations, we do not independently evaluate quotations. *OPTIMUS Corp.*, B-400777, Jan. 26, 2009, 2009 CPD ¶ 33 at 4. 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. *Innovative Mgmt. & Tech. Approaches, Inc.*, B-413084, B-413084.2, Aug. 10, 2016, 2016 CPD ¶ 217 at 4. A protester's disagreement with the agency's evaluation, without more, does not establish that the agency acted unreasonably. *Strategic Res., Inc.*, B-411024.2, Apr. 29, 2015, 2015 CPD ¶ 200 at 4.

Here, the RFQ instructed vendors to include, in their management plans, their proposed approach to "effectively manage personnel working on this requirement." RFQ at 6. As part of that approach, vendors were asked to "explain" their "work process flow for handling any performance issues." *Id.* The Coast Guard was then to assess "how well the Offeror explain[ed] . . . the effectiveness of [its] . . . work process flow for handling performance issues." *Id.* at 9. After evaluating Exceed's quotation, the agency concluded that the firm's management plan failed to provide a process for addressing performance issues throughout the lifespan of a contract. AR, Tab 6, Consensus Evaluation Report at 1-2.

Based on our review of the record, we find that the Coast Guard's evaluation of Exceed's quotation in this regard was reasonable and in accordance with the terms of the RFQ. The record demonstrates that the agency reasonably exercised its discretion in determining that the protester failed to provide sufficient detail explaining its process for addressing underperformance of individual employees or personnel issues, and that the "lack of a clear process . . . increase[d] risk for underperforming staff communicating inaccurate information to the customer." AR, Tab 6, Consensus Evaluation Report at 1-2.

As stated above, the agency viewed the RFQ's requirement that vendors provide their work flow process for handling performance issues as relating to individual employees' performance issues, as opposed to contract performance issues in general. COS/MOL at 5 (citing RFQ at 6, 9). Notably, however, the protester does not challenge the reasonableness of the agency's interpretation in this regard. Rather, in its comments on the agency report, Exceed again only challenges the agency's evaluation conclusions, by essentially repeating its earlier arguments that its quotation demonstrated the

required processes to address performance issues relating to the contract as a whole. Protester's Comments at 10-11.

We find the agency's interpretation of this requirement reasonable on its face, given that the performance issues provision was part of the management plan section, which asked vendors to demonstrate how to effectively manage personnel working on this requirement. Exceed's disagreement with the agency's evaluation, without more, is insufficient to demonstrate that the evaluation was unreasonable or inconsistent with the terms of the RFQ. *Strategic Res., Inc., supra*. Therefore, Exceed's challenge to this aspect of the agency's evaluation is denied.

Second, the protester argues that the Coast Guard applied unstated evaluation criteria in its assessment of Exceed's QCP. The protester alleges that the agency unfairly criticized its approach to corrective actions as "unclear," and being employee performance driven rather than "process driven and continuous," even though there was no requirement in the RFQ proscribing that corrective actions be process driven. Protest at 9. We find no merit to this argument.

Although agencies are required to identify in a solicitation all major evaluation factors, they are not required to identify all areas of each factor that might be taken into account in an evaluation, provided that the unidentified areas are reasonably related to, or encompassed by, the established factors, *i.e.*, there is a clear nexus between the stated criteria and the unstated consideration. *Northrop Grumman Sys. Corp., B-414312 et al.*, May 1, 2017, 2017 CPD ¶ 128 at 12; *see also Global Analytic Info. Tech. Servs., Inc., B-298840.2*, Feb. 6, 2007, 2007 CPD ¶ 57 at 4.

Here, the solicitation instructed vendors to describe their proposed "corrective actions to be performed" to ensure vendors would achieve customer service-related performance objectives and standards in the PWS. RFQ at 6. The solicitation also clearly advised that the agency would assess if vendors' draft QCPs "provide confidence in the [o]fferor's ability to maintain successful performance throughout the life of the [t]ask [o]rder." *Id.* at 9.

In light of these requirements, we conclude that the agency reasonably assessed Exceed's proposed approach for corrective actions. The agency found that Exceed's corrective action approach included utilizing the results of employee performance evaluations which "lowered the confidence of the [g]overnment [in Exceed's ability to] address[] corrective actions." AR, Tab 6, Consensus Evaluation Report at 2-3. In reaching this conclusion, we agree with the explanation provided in the agency report that Exceed's approach, proposing to conduct performance evaluations "at the 90-day, six-month, and 12-month anniversaries, and yearly thereafter," did not provide an effective method to "continuously and effectively record[] corrective action to be performed." COS/MOL at 9. Even if the solicitation did not specifically state that the corrective action methods should be process driven, the RFQ advised that vendors needed to demonstrate, in their corrective action plans, their "ability to maintain successful performance throughout the life of the [t]ask [o]rder." RFQ at 9. Hence, we

find that the agency's concerns regarding the utilization of employee performance evaluations as part of Exceed's QCP were clearly related to, and encompassed by, the stated evaluation criteria regarding the continuity of corrective action efforts; Exceed's assertions to the contrary are without merit. Accordingly, we deny this protest ground.

Finally, the protester contends that the Coast Guard ignored critical information in its quotation concerning the quality control factor, specifically, its proposed method to record quality control inspections. Protest at 10-11. As relevant here, the agency found Exceed's approach "unclear and confusing," on the basis that inspection log entries were to be periodically reviewed by the QC manager, while at the same time "the schedule of inspections indicate[d] they [were also] to be performed by the QC [m]anager." *Id.*; AR, Tab 6, Consensus Evaluation Report at 3.

Exceed maintains that the agency's evaluation is unreasonable because it is based on a misreading of its quotation. According to Exceed, only certain inspections were to be performed by the QC manager, who would then review the log of all conducted inspections. Protest at 11. Therefore, Exceed contends that the role of the QC manager was sufficiently clear in that she would only be reviewing her own work in limited circumstances. *Id.*

In response, the agency denies that its evaluation was based on an incorrect reading of Exceed's quotation. COS/MOL at 10-13. First, the agency argues that Exceed's quotation is unclear because it identifies several individuals who will conduct QC reviews without specifically identifying how the various QC reviews will be allocated between these individuals. *Id.* at 12-13. In addition, the Coast Guard explains that the protester's proposed approach, where the "QC Manager would be reviewing her own work," would compromise the integrity of the quality inspection system, and it "would make sense" to have another person review inspection logs prepared by the QC manager. COS/MOL at 13. The agency contends that its evaluation in this regard was fair and reasonable, and followed the evaluation methodology set forth in the RFQ.

Based upon our review of the record, we agree with the agency. The responsibility for submitting a well-written proposal--here, including an adequate explanation of proposed methods for recording quality control inspections, clearly differentiating between the process of conducting scheduled inspections and maintaining the inspection log, and allowing for a meaningful review by the procuring agency--lies first and foremost with the vendor. *See, e.g., Advisory Technical Consultants*, B-416981.3, June 4, 2019, 2019 CPD ¶ 209 at 4. A protester's disagreement with the agency's judgment that its quotation was "unclear and confusing" regarding the roles and responsibilities of the QC manager and the on-site supervisor does not demonstrate that the agency's judgment was unreasonable. *Id.*

In its comments on the agency report, the protester responds to the agency's contention that the QC manager would be reviewing her own work by arguing that the RFQ did not prohibit such an approach. COS/MOL at 12; Protester's Comments at 7-8.

We reject the protester's argument. Regardless of whether the RFQ included a specific provision that QC managers could not review their own work, we again find the Coast Guard's considerations for maintaining an effective quality inspection system are reasonably and logically encompassed within the stated evaluation criteria. Additionally, other than generally contesting the agency's conclusions, the protester has provided our Office with no basis to find the agency's evaluation unreasonable in this regard. As a result, this protest ground is denied.

Best-Value Determination

Last, Exceed asserts that the agency's best-value determination was unreasonable because it was based on a flawed evaluation of Exceed's management approach quotation, as outlined above. Protest at 11-12. Because we find the agency's evaluation of Exceed's management approach unobjectionable, we have no basis to question the agency's best-value decision. *CW Government Travel, Inc.*, B-416091, B-416091.2, June 13, 2018, 2018 CPD ¶ 225 at 11.

The protest is denied.

Thomas H. Armstrong
General Counsel