

Decision

Matter of: ARCIS International-UNISECUR S.R.L.-RANGERS S.R.L. JV

File: B-419481

Date: March 1, 2021

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DIGEST

Protest that agency unreasonably evaluated protester's proposal as technically unacceptable is denied where the evaluation was consistent with the terms of the solicitation and applicable procurement statutes and regulations; allegation that the agency unreasonably excluded protester's proposal from the competitive range is denied where the proposal was reasonably evaluated as deficient under multiple technical factors and subfactors.

DECISION

ARCIS International-UNISECUR S.R.L.-RANGERS S.R.L. JV, of San Cesareo, Italy, protests its exclusion from the competitive range under request for proposals (RFP) No. 9AQMM20R0247, issued by the Department of State (DOS) for local guard services at the United States Mission Italy. ARCIS argues that DOS unreasonably evaluated its proposal, and improperly excluded it from the competitive range.¹

We deny the protest.

BACKGROUND

On September 25, 2020, DOS issued the RFP to procure local guard services for agency personnel and establishments throughout Italy. AR, Tab 2, RFP amend. 3 at 1, 10. The RFP contemplated the award of an indefinite-delivery, indefinite-quantity

¹ ARCIS is a joint venture comprised of three firms, ARCIS International, UNISECUR, S.R.L., and RANGERS S.R.L. Agency Report (AR), Tab 3, ARCIS Tech. Proposal--IDIQ at 3.

(IDIQ) contract to be performed on a time-and-materials/labor-hour basis over a 1-year base period and four 1-year option periods. *Id.* at 5, 24.

Award would be made on a lowest-price, technically acceptable basis, considering management plan, past performance and experience, and preliminary transition plan factors. RFP amend. 3 at 97. The management plan factor contained five subfactors: organization and management; key personnel; training program; contingency plan; and, quality control plan. *Id.* at 94-95. The past performance and experience factor contained two subfactors: past performance, and experience. *Id.* at 95-96. Offerors were to submit price and technical volumes with their proposals. RFP amend. 3 at 78-79. The technical volume was to include one part addressing IDIQ requirements, and a second part addressing task order requirements. *Id.* at 84.

When evaluating proposals, the RFP contemplated a three-phase process. RFP, amend. 3 at 92. First, DOS would review proposals to determine whether they complied with the proposal preparation instructions. RFP, amend. 3 at 92. Second, DOS would conduct a price evaluation to determine each offeror's total price. *Id.* Third, DOS would assess each offeror's technical proposal for acceptability. *Id.* An evaluation of unacceptable under any of the technical factors or subfactors rendered a proposal ineligible for award. *Id.* at 94.

ARCIS and three other offerors submitted proposals prior to the November 9 closing date. AR, Tab 1, Contracting Officer's Statement (COS) at ¶ 3; AR, Tab 7, Competitive Range Determination (CRD) at 2. The agency evaluated the ARCIS proposal as "unacceptable" under each technical factor and subfactor. AR, Tab 7, CRD at 6-8. The agency largely determined that the proposal lacked requisite information, or proposed personnel and features that did not comply with solicitation requirements. *Id.* DOS did not include ARCIS in the competitive range because it concluded that the firm's proposal required major revisions in order to be evaluated as technically acceptable. *Id.* at 6, 15. After DOS notified ARCIS that its proposal was excluded from the competitive range, the firm filed this protest with our Office.

DISCUSSION

ARCIS argues that its proposal contained all of the requisite information, and therefore should not have been excluded from the competitive range. Protest at 1-5; see *also* Protester's Response, Jan. 22, 2021, at 1-20. We have considered all of the allegations raised, and find no basis to object to the agency's evaluation because the protester's proposal did not contain adequate detail demonstrating compliance with the solicitation's requirements. We discuss the principal contentions below.

We note at the outset that, in reviewing protests challenging an agency's evaluation of proposals, our Office does not reevaluate proposals or substitute our judgment for that of the agency; rather, we review the record to determine whether the agency's evaluation was reasonable and consistent with the solicitation's evaluation criteria, as

well as applicable statutes and regulations. *SaxmanOne, LLC*, B-414748, B-414748.3, Aug. 22, 2017, 2017 CPD ¶ at 3.

Management Plan

The agency evaluated ARCIS's proposal as unacceptable under the management plan factor and each of its subfactors. AR, Tab 7, CRD at 6-7; AR, Tab 6, Technical Evaluation Panel (TEP) Report at 22-23.² Generally, DOS concluded that the proposal did not demonstrate compliance with the RFP's requirements because the firm either omitted required information or failed to describe its approach with adequate detail. AR, Tab 7, CRD at 6-7. We discuss the protester's challenges under the various subfactors.

Organization and Management

When describing their organization and management, the RFP instructed offerors to provide information relevant for the IDIQ contract and the task order contracts. RFP amend 3 at 84-85. For the part of their proposals addressing requirements for the IDIQ contract, offerors were to provide contact information for corporate management (including names, titles, email addresses, and telephone numbers), and management procedures for administrative staff (including recruitment and retention procedures). *Id.* Joint venture offerors were required to explain why a joint venture was necessary to perform the contract based on Federal Acquisition Regulation (FAR) section 9.602(a), and to identify corporate roles for each joint venture member (including which members will conduct invoicing and invoicing, as well as manage performance risk). *Id.* at 85.

For the part of their proposals addressing requirements for the task order contracts, the RFP instructed offerors to identify multiple features. RFP amend. 3 at 85. Offerors were required to identify their estimated retention rates for incumbent guards. *Id.* Offerors were also required to provide a sample guard schedule, and to discuss any contingency/reserve personnel staffing pools. *Id.* Additionally, offerors should describe how they would meet any need for additional and emergency (A&E) services.³ *Id.*

DOS evaluated the ARCIS proposal as unacceptable under the organization and management subfactor. AR, Tab 6, TEP Report at 22. DOS noted that ARCIS did not provide contact information for corporate management personnel, failed to discuss why a joint venture was necessary, and failed to identify the corporate roles for each joint venture member. *Id.* at 2. DOS also noted that ARCIS did not identify retention rates for incumbent guards, how the firm will implement a contingency/reserve personnel staffing pool, or how it would meet the need for A&E services. *Id.*

² All citations to AR, Tab 6, TEP Report refer to the Adobe PDF page numbers.

³ The RFP describes A&E services as additional duties conducted within the scope of the contract upon request from the agency. RFP amend. 3 at 11. A&E services are not specified in the RFP, but may stem from tasks such as visitor escort services, and responding to potential terrorist attacks or temporary changes to entries and exits. *Id.*

ARCIS contends that the evaluation was unreasonable because it provided all of the requisite information. We do not find any basis to sustain the protest allegations.

First, we do not find any basis to object to the agency's determination that ARCIS's proposal lacked contact information for corporate management COS at ¶ 9. The solicitation required each offeror to provide:

[O]rganizational and functional charts to show responsibilities from the corporate management to the Project Manager, to include names, titles, email addresses, and telephone numbers.

RFP amend. 3 at 84. In other words, the RFP required offerors to identify corporate management personnel, and to provide contact information for those persons.

Our review of ARCIS's proposal confirms that the firm omitted contact information for corporate management personnel. The firm provided contact information for a manager and two license holders. AR, Tab 3, ARCIS Tech. Proposal--IDIQ at 11. However, the firm did not provide contact information for the corporate management personnel (*i.e.*, the senior executive personnel) identified in the firm's organizational chart. *See id.* at 10-12. Because the RFP required offerors to provide contact information for corporate management personnel beyond only the project manager, we do not find the agency's evaluation objectionable.

Second, the agency reasonably found that ARCIS failed to describe why a joint venture was necessary. The RFP advised offerors to "[e]xplain why a joint venture is required in order to perform the prospective contract award (see FAR 9.602(a))." RFP, amend. 3 at 85. Section 9.602(a) of the FAR provides as follows:

Contractor team arrangements may be desirable from both a Government and industry standpoint to enable the companies involved to --
(1) Complement each other's unique capabilities, and (2) Offer the Government the best combination of performance, cost, and delivery for the system or product being acquired.

FAR 9.602(a). Thus, the RFP required offerors to explain why a joint venture would yield the best combination of performance, cost, and delivery, or how all of the members would complement each other's unique capabilities in terms of performance.

Despite this requirement, ARCIS's proposal only explained that some of the requisite licenses were held by UNISECUR and RANGERS, and that those firms already maintain a longstanding joint venture.⁴ AR, Tab 3, ARCIS Tech. Proposal--IDIQ at 3.

⁴ In its response, the protester explains that the joint venture was necessary because a local license is needed to perform security services in Italy. Protester's Response, Jan. 22, 2021, at 1.

Critically, ARCIS did not articulate how its members' capabilities would complement each other or yield a better combination of performance, cost, or delivery. *Id.* Thus, we do not find the agency's evaluation objectionable because ARCIS did not provide a substantive response to the solicitation requirement.

Third, the agency reasonably found that ARCIS did not provide retention rates for incumbent guards. See COS at ¶ 10. The RFP required offerors to "clearly identify their estimated retention rates of the incumbent guards." RFP amend. 3 at 85. Our review of ARCIS's proposal shows that the firm did not provide an estimated retention rate. AR, Tab 4, ARCIS Tech. Proposal--Task Orders at 4. While the proposal does explain that the firm will consider hiring all incumbent guards, this feature does not meet the solicitation's requirements. We note that the protester never identified a specific retention rate contained in its proposal. See Protester's Response, Jan. 22, 2021, at 2. Thus, we deny this protest allegation.

Fourth, the agency reasonably found that ARCIS failed to describe how it would provide A&E services. The RFP required each offeror to "[d]iscuss how you would meet the need for A&E services on quick notice." RFP amend. 3 at 85. Despite this requirement, the firm's proposal does not articulate any strategies for meeting the need for A&E services. AR, Tab 4, ARCIS Tech. Proposal--Task Orders at 4. Instead, the firm explains that it would appreciate 24 hours advance notice prior to receiving any requests for A&E services, but that, in any event, it would perform even without advance notice. *Id.* To the extent the firm's proposal implies that it will simply require guards to serve longer shifts to meet any need for A&E services, the firm's proposal did not clearly identify that approach. See *id.* Accordingly, we deny this allegation because the firm's proposal did not clearly articulate its strategy for meeting the agency's need for A&E services on quick notice, as required by the solicitation.

Key Personnel

ARCIS argues that the agency unreasonably evaluated its key personnel. The firm argues that its key personnel possess all of the education and experience requirements, and that its proposal contained the requisite number of project managers. Protester's Response, Jan. 22, 2021, at 3-5. DOS responds that the ARCIS's IDIQ manager's resume did not demonstrate fluency in Italian, or a valid Italian work visa as required by the solicitation. COS at ¶ 11. DOS also responds that the firm failed to propose at least one project manager for each task order contract. *Id.* at ¶¶ 12-13.

The RFP required each offeror to provide a detailed resume for proposed key personnel. RFP amend. 3 at 86. Resumes were to identify the name and title for each proposed employee, and describe all relevant experience (with a statement of work history including dates of employment). *Id.* Among others, key personnel included an IDIQ manager, and project managers for each task order location. *Id.* at 31-34. As relevant here, the IDIQ manager was required to speak Italian, and either be an Italian citizen or hold a valid Italian work visa. *Id.* at 33.

DOS evaluated ARCIS's proposal as unacceptable. AR, Tab 7, CRD at 7. DOS concluded that the proposed project manager did not meet the requirements of the solicitation because his resume did not demonstrate fluency in Italian, and did not show that he possessed a valid Italian work visa. *Id.*; COS at ¶ 11. DOS also concluded that the firm failed to propose three project managers as required by the solicitation. AR, Tab 6, TEP Report at 6-8; COS at ¶ 13.

We conclude that the agency reasonably evaluated the firm's proposal as not meeting the solicitation requirements. Our review of the firm's proposal shows that the IDIQ manager's resume does not demonstrate fluency in Italian or that he possesses a valid Italian work visa. AR, Tab 4, ARCIS Tech. Proposal--Task Order at 42. While ARCIS argues that it also proposed a Deputy IDIQ manager with Italian citizenship, we note that the RFP specifically required the IDIQ manager, not a deputy manager, to possess Italian citizenship. RFP amend. 3 at 32.

Our review also confirms that ARCIS did not propose the requisite number of project managers. Contrary to the protester's position, the RFP required three project managers because one project manager was to be assigned to each task order contract. See RFP with Exhibits at 170, 207, 237 (requiring a project manager for each sample task order contract); see *also* RFP amend. 3 at 33 (project manager must reside in the same city as the task order location). Despite this requirement, ARCIS's proposal only included one proposed project manager. AR, Tab 4, ARCIS's Tech. Proposal--IDIQ at 43. Thus, we conclude that the agency reasonably evaluated ARCIS's proposal as unacceptable because the firm did not propose the requisite number of project managers.⁵

Training Plan

ARCIS argues that the agency unreasonably evaluated its training plan. According to ARCIS, the firm included all of the requisite information demonstrating compliance with the solicitation's requirements. Protester's Response, Jan. 22, 2021, at 6-12.

The solicitation contained a detailed training program consisting of basic training, supervisor training, firearms training, and, if applicable, annual refresher training courses. RFP, amend 3 at 35-36. Among other requirements, offerors were instructed to describe their training facilities, including capacity, availability, and whether the facility is dedicated to this contract. *Id.* at 87. Offerors were also to provide location information for facilities currently possessed, or provide general location and type of facility information for facilities not currently possessed. *Id.* Each offeror's training program would be evaluated based on whether it complied with the RFP's

⁵ To the extent ARCIS complains that the solicitation referred to a "project manager" in a singular voice, see Protester's Response, Jan. 22, 2021, at 5, we do not find that interpretation reasonable given the explicit requirement for a project manager at each task order location. See, e.g., RFP with Exhibits at 170 (requiring the selected contractor to assign a "project manager" to the Rome and Florence task order contract).

requirements, and demonstrated the ability to perform the contract successfully. *Id.* at 95.

DOS evaluated ARCIS's training plan as unacceptable because it did not comply with the solicitation's requirements. AR, Tab 7, CRD at 7. DOS explained that the firm's plan did not address the training program because it did not describe the capacity, equipment, or availability of the firm's training facilities. AR, Tab 6, TEP Report at 9. The evaluators also noted that ARCIS did not explain whether the firm possessed an existing training facility in support of this contract. *Id.*

We have no basis to object to the agency's position. ARCIS's proposal does not describe its training facilities with sufficient detail as required by the solicitation. While the firm explains that it has training rooms and firing ranges available in Rome, Florence, Milan, and Naples, it does not describe the capacity or availability of these facilities. AR, Tab 3, ARCIS Tech. Proposal--IDIQ at 38-42. Instead, the firm explains that site-specific information would be added later, and that training locations would be selected according to the training to be conducted. *Id.* at 42. Since the solicitation required offerors to provide more information about their training facilities than ARCIS provided, we do not find the agency's evaluation to be unreasonable.

Contingency Plan

ARCIS argues that the agency unreasonably assigned its proposal an unacceptable rating under the contingency plan subfactor. Protester's Response, Jan. 22, 2021, at 12-13. The firm contends that its proposal explained how it would maintain operations during adverse events in accordance with the solicitation's requirements. *Id.*

The RFP instructed offerors to include a contingency plan addressing how the firm would ensure continuity of services during adverse events. RFP amend. 3 at 87. Adverse events included the following: labor disputes and civil unrest; dissolution of the joint venture; absences of key personnel; and, currency/economic crises. *Id.* As for dissolution of a joint venture, the RFP required any joint venture to describe how it would continue performance in the event any member should leave the joint venture or become unable to perform. Proposals would be evaluated based on whether they conformed to solicitation requirements, and demonstrated the ability to perform the contract successfully. *Id.* at 95.

DOS evaluated ARCIS's proposal as unacceptable under this subfactor. DOS noted that ARCIS failed to describe its contingency plan for any of the task order contracts when dealing with multiple adverse events, including potential dissolution of the joint venture, labor unrests, or currency crises. AR, Tab 6, TEP Report at 11-14.

We have no basis to object to the agency's evaluation. With regard to whether ARCIS's proposal explained its contingency plan for dissolution of the joint venture, we agree with the agency that the firm's proposal lacked key details. See COS at ¶ 15. Indeed, while the firm's proposal articulated how ARCIS International and either UNISECUR or

RANGERS would maintain performance in the event that UNISECUR or RANGERS became insolvent, the firm did not explain how UNISECUR and RANGERS would maintain performance in the event that ARCIS International became insolvent. AR, Tab 4, ARCIS Tech. Proposal--Task Order at 40.

Further, although the firm's proposal explained that a "financial agreement" binds the joint venture members together, the solicitation required the firm to articulate what would happen if one of the joint venture members simply refused to perform. RFP amend. 3 at 87. Without information describing how the firm would overcome that scenario or additional details articulating how the "financial agreement" prevents any member from refusing to perform, we agree with the agency that the firm's response does not adequately respond to the solicitation's requirement. See AR, Tab 4, ARCIS Tech. Proposal--Task Order at 40. Accordingly, we deny the protest allegation.

Past Performance and Experience

ARCIS challenges the agency's evaluation of its proposal under the past performance and experience factor. The firm alleges that it provided sufficient information for the agency to review its past performance. Protest at 6. The agency responds that the firm failed to include information demonstrating compliance with the solicitation's requirements. Memorandum of Law (MOL) at 8.

The RFP instructed each offeror to identify all similar contracts and subcontracts that it had performed within the past five years. RFP amend. 3 at 88. For the past performance subfactor, the RFP instructed each offeror to describe the work performed in the identified contracts and provide a comparison between the work performed and the duties for this acquisition. *Id.* at 90. The agency would use the past performance information to evaluate each offeror's likelihood of successful performance. *Id.* at 96.

The agency evaluated ARCIS's past performance as unacceptable. AR, Tab 6, TEP Report at 17. The agency observed that ARCIS did not provide an adequate description of its referenced performance, or compare its referenced performance to the work required under this solicitation. *Id.*

On this record, we do not find the agency's evaluation to be unreasonable. ARCIS's proposal listed its referenced past performance, and summarily explained that it performed various security services on these contracts, including access controls, vehicle screening, and using metal detectors and X-ray machines. AR, Tab 3, ARCIS Tech. Proposal--IDIQ at 60-65. Nevertheless, the firm did not provide a brief description of its referenced performance, or compare its performance to the work required under the solicitation. *Id.* Further, the protester did not identify where its proposal compared its referenced performance to the duties to be performed under this contract. See Protester's Response, Jan. 22, 2021, at 17. Thus, we do not find the agency's evaluation unreasonable because the protester did not include all of the required information in its proposal.

Preliminary Transition Plan

ARCIS argues that the agency unreasonably evaluated its proposal under the preliminary transition plan factor. Protest at 1. ARCIS contends that it submitted the required licenses and permits demonstrating ability to perform the contract. *Id.* The agency responds that ARCIS submitted its licenses and permits in Italian, and that therefore the agency was unable to evaluate the firm's proposal. COS at ¶ 17.

Under the preliminary transition plan factor, each offeror was required to demonstrate capability of providing a smooth transition from the incumbent contractor. RFP amend. 3 at 89. As part of this factor, offerors were required to demonstrate their ability to meet all mandatory licensing requirements. *Id.* at 90. Indeed, the RFP provided the following:

The offeror shall describe the process for obtaining the necessary licenses and permits required by the host country law [] to be able to perform in country. The offerors shall specify the various host nation required licenses and permits (e.g., business, security, radio, etc.), . . . and any expiration dates of held licenses or permits. Additionally, the offeror shall provide copies of valid local licenses and permits currently possessed by the Offeror along with any applications that may have been submitted to the cognizant licensing activities. Simply stating that the offeror holds, or has applied for, licenses is unacceptable.

Id. Failure to demonstrate progress toward obtaining all required licensing and permits would result in an offeror being evaluated as ineligible for award. *Id.* at 96.

ARCIS's proposal was evaluated as unacceptable under this factor. AR, Tab 6, TEP Report at 19-20. The agency noted that its plan appeared incomplete, and that the firm did not discuss how it would obtain the requisite licenses and permits. *Id.* Additionally, the agency concluded that ARCIS did not submit three prefectural licenses. *Id.* at 15.

We have no basis to object to the agency's evaluation. The RFP required both a description of the various licenses and permits required, and either copies of the licenses and permits or submitted applications. RFP amend. 3 at 90. Despite this requirement, ARCIS provided only copies of its licenses and permits, and a blanket disclaimer that the firm already holds the licenses to perform various security services throughout Italy. AR, Tab 3, ARCIS Tech. Proposal--IDIQ at 66. Thus, we agree that ARCIS's proposal was incomplete because the firm did not describe the various licenses and permits, identify the expiration dates for its licenses and permits, or explain the process it used to obtain these licenses and permits as required by the solicitation. Moreover, ARCIS never articulated where its proposal described the licenses and permits, or identified where its proposal contained the missing three prefectural licenses. Protester's Response, Jan. 22, 2021, at 15-16.

Exclusion from the Competitive Range

Finally, ARCIS alleges that the agency unreasonably excluded its proposal from the competitive range. Protest at 1. DOS responds that it reasonably excluded the proposal because ARCIS failed to provide mandatory technical information, and its proposal would require major revision in order to improve to a technically acceptable level. MOL at 10.

The determination of whether a proposal should be included in the competitive range is a matter primarily within the contracting agency's discretion. *ALM, Inc.; Tech., Inc.*, B-217284, B-217284.2, Apr. 16, 1985, 85-1 CPD ¶ 433 at 4. Our Office will not disturb such a determination unless it is shown to be unreasonable or in violation of procurement laws and regulations. *Id.* Generally, proposals that are to be considered in the competitive range are those which are technically acceptable or reasonably susceptible of being made acceptable through discussions--that is, proposals which have a reasonable chance of being selected for award. *The Cadmus Grp., Inc.*, B-241372, B-241372.3, Sept. 25, 1991, 91-2 CPD ¶ 271 at 8. However, even a proposal which is technically acceptable or susceptible of being made acceptable may be excluded from the competitive range if, based on the evaluation, the proposal does not stand any real chance of being selected for award. *Id.*

Based on the record, we cannot conclude that DOS's determination to exclude ARCIS from the competitive range was unreasonable. As noted above, the agency excluded ARCIS because its proposal was deficient under multiple technical factors and subfactors, so as to require a major revision in order to make the firm competitive. AR, Tab 7, CRD at 15. Our review has confirmed that the agency reasonably evaluated the firm as unacceptable under multiple technical factors and subfactors. Thus, we do not find unreasonable the agency's decision to exclude ARCIS from the competitive range because the firm would have to revise the majority of its proposal in order to be considered technically acceptable.

The protest is denied.

Thomas H. Armstrong
General Counsel