



## Decision

**Matter of:** SHG National, LLC

**File:** B-404613.3

**Date:** July 20, 2011

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Douglas Lambert for the protester.

Maj. C. Peter Dungan and Matthew W. Bowman, Esq., Department of the Army, for the agency.

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### DIGEST

Protest of an agency's technical evaluation is denied where the record shows that the agency reasonably evaluated proposals consistent with the stated evaluation criteria and documented qualitative differences between the protester's and awardee's proposals.

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### DECISION

SHG National, LLC, (SHG) of Williamsport, Pennsylvania, protests the award of a contract to Integrated Hospitality Resources Group, Ltd., Co., of Dallas, Texas, under request for proposals (RFP) No. W9124D-10-R-0040, issued by the Department of the Army for lodging, meals, and transportation services.

We deny the protest.<sup>1</sup>

### BACKGROUND

The RFP provided for the award of a fixed-price requirements contract for lodging, meal services, and transportation services for applicants processed through the Denver, Colorado, Military Entrance Processing Station (MEPS). A detailed performance work statement (PWS) was provided, describing the contract requirements. See RFP amend. 5, PWS, at 1-6. Offerors were informed that the

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<sup>1</sup> Because a protective order was not issued in connection with this protest, our discussion is necessarily general.

agency estimated that an average of 53, and a maximum of 165, applicants would require daily meals, lodging and transportation services. See id. at 1-2; exh. 1, Historical Data; RFP amend. 6. In this regard, the PWS advised offerors that the actual number of applicants might exceed the agency's estimates and that the contractor was responsible for ensuring that a sufficient number of rooms were available to fulfill the daily requirements of the contract. See PWS at 2.

The RFP provided that award would be made on a best value basis considering the following factors: mission capability, past performance, and price. RFP at 14. The mission capability factor was significantly more important than past performance, and the non-price factors, when combined, were significantly more important than price. Id. Offerors were advised that the agency would conduct an on-site evaluation, and that past performance would be separately evaluated and assessed a performance risk rating. See id.

With regard to the mission capability factor, the RFP provided that the agency would assess the following elements: sanitation/cleanliness/condition/quality control; security and safety; meals; and facility location. See id. at 10-12. Proposal preparation instructions were provided for each of these evaluation elements. For example, regarding sanitation/cleanliness/condition/quality control, the RFP advised offerors that the agency would evaluate all aspects of their proposed hotel and instructed offerors to provide the total number of rooms, describe their dining facilities, and make all areas available for inspection.<sup>2</sup> See id. at 10. In this respect, offerors were also required to describe their plans for accommodating overflow applicants. Id. With regard to security and safety, offerors were required to describe their proposed dedicated area for checking-in applicants, hotel security features, and compliance with the security requirements specified in the PWS. Id. With regard to meals, offers were required to describe how meals would be served (e.g., buffet style, table service, etc.) and provide sample menus and a contingency plan for seating the estimated maximum number of applicants. Id. at 12. Finally, with regard to facility location, offerors were required to identify their proposed hotels' distance from the MEPS, Denver International Airport, train station, and bus station, and describe their plans to meet the transportation requirements in the PWS. Id. at 12-13; RFP amend. 1, at 2.

The agency received 11 proposals, including SHG's and Integrated's. The proposals were evaluated by the agency's source selection evaluation board (SSEB), which

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<sup>2</sup> Moreover, offerors were required to provide copies of all current hotel licenses and permits, including state inspection reports and licenses for kitchens and dining facilities, and submit a detailed quality control plan addressing current sanitation, cleanliness, and maintenance standards and checklists. See RFP at 11.

also conducted an on-site inspection of the offerors' proposed hotels.<sup>3</sup> SHG's and Integrated's proposals were evaluated as follows:<sup>4</sup>

	<b>Mission Capability</b>	<b>Past Performance</b>
Integrated	Excellent	Excellent
SHG	Good	Excellent

AR, Tab 14, SSEB Consensus Report, at 1, 11; Tab 12, SSEB Report, at 2-3. The SSEB's assignment of adjectival ratings was supported by extensive narrative discussion of evaluated strengths and weaknesses in the offerors' proposals.

Integrated's higher rating under the mission capability factor reflected the SSEB's assessment that the awardee's proposal presented nine strengths, three of which were significant, and one weakness under that factor. AR, Tab 14, SSEB Consensus Report, at 12-13. Specifically, the SSEB identified three significant strengths with regard to the organization and appearance of Integrated's hotel kitchen, and the hotel's security coverage, as well as five strengths with regard to the hotel's lobby and décor; room furnishings, amenities, and public address system; check-in location; 100 security cameras; and close proximity to MEPS. Id. The SSEB also noted that the hotel's lobby was large and spacious. Id. Although the SSEB assessed the location of Integrated's dining area next to the hotel's bar to be a weakness, this was not found to be significant. Id.

SHG's lower rating under the mission capability factor reflected the SSEB's assessment that SHG's proposal presented six strengths, only one of which was found significant, and three weaknesses. See id. at 2. Specifically, the SSEB identified a significant strength with regard to SHG's hotel security coverage, and five strengths with regard to its check-in location; security liaison; 11 security cameras; room voice notification system; and healthy meal options. Id. The SSEB

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<sup>3</sup> The Contracting Officer (CO), who was the source selection authority for the procurement, also attended the on-site inspections.

<sup>4</sup> An excellent rating was reserved for a proposal that demonstrates an excellent understanding of the requirements; provides an approach that significantly exceeds minimum requirements; offers exceptional strengths, with no major weaknesses and few minor weaknesses; provides significant benefit to the government; and offers an excellent probability of success with very low risk. See RFP at 14-15. A good rating was reserved for a proposal that demonstrates a good understanding of the requirements; provides an approach that somewhat exceeds minimum requirements; offers some exceptional strengths, with no major weaknesses; has some weaknesses that should not impact successful contract performance with normal contractor effort and normal government monitoring; and offers a good probability of success with low risk. See id.

noted as weaknesses the safety of the hotel's atrium-style design; that food was noticed on the dining room floor; that SHG's smaller dining room size would not accommodate the maximum number of applicants; and that, in overflow situations, its proposed breakfast buffet line would be located in two separate locations on different floors, monitored by only one person. Id. The SSEB also noted that SHG's hotel lobby was medium-sized.

The CO reviewed the evaluation reports and agreed with the SSEB's ratings. AR, Tab 15, Source Selection Decision, at 26; see CO's Statement at 13. The CO found that Integrated proposed an exceptional hotel with 1,200 large rooms, a large dining area, a fully developed crisis management plan and security features, and a location within close proximity to MEPS and a reasonable distance to the airport. AR, Tab 15, Source Selection Decision, at 25. He also found that Integrated's proposed price of \$5,980,157 was reasonable and that its per-applicant rate of \$79.51 was substantially less than the General Services Administration's per diem rate for the Denver area. Id. Moreover, the CO found that the greater number of rooms in Integrated's hotel significantly reduced the possibility of an overflow issue requiring the use of another hotel.<sup>5</sup> Id. at 22. The CO concluded that Integrated's higher-quality hotel and proposal offered significantly more benefits than SHG's lower-priced proposal (\$4,527,325), such that Integrated's proposal offered the best value to the agency. See id. at 22, 25-26.

Award was made to Integrated and this protest followed.

## DISCUSSION

SHG complains that its proposal should have been rated excellent under the mission capability factor and contends that the agency used unstated evaluation criteria. Protest at 3, 6-7; Comments at 2. The protester argues that its proposal met, or exceeded, the RFP's minimum requirements for the number of hotel rooms, kitchens, security, lobby, and check-in areas. Comments at 2-3. SHG also maintains that the agency evaluated proposals unequally by overvaluing features of Integrated's proposed hotel but undervaluing similar features of SHG's proposed hotel. Id. In this regard, the protester argues that the agency could not properly conclude that the awardee's proposed hotel kitchen was more aesthetically pleasing. See id. Rather, the protester contends that its kitchen met the RFP's only "measurable" kitchen requirements--adherence to state and federal health guidelines--and therefore should have received a significant strength. See id. Moreover, the protester contends that the agency improperly found its atrium-style lobby to be a weakness, even though the evaluators allegedly described its and Integrated's hotel lobbies using nearly identical terminology. Id. at 1-2. SHG also adds that the agency ignored other

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<sup>5</sup> SHG's proposed hotel has 300 rooms. SHG's Technical Proposal at 11.

strengths in its proposal, such as its hotel's private, secure applicant check-in area and closer proximity to the airport.<sup>6</sup> See id. at 2-3; Protest at 8-9.

In reviewing protests against allegedly improper evaluations, our Office examines the record to determine whether the agency's judgment was reasonable and in accord with the evaluation factors set forth in the RFP, and whether the agency treated offerors equally in evaluating their respective proposals. See, e.g., Brican Inc., B-402602, June 17, 2010, 2010 CPD ¶ 141 at 4. While we have recognized that such judgments are often subjective by nature, the exercise of these judgments in the evaluation of proposals must be documented in sufficient detail to show that they are not arbitrary. See, e.g., Northeast MEP Servs., Inc., B-285963.5 et al., Jan. 5, 2001, 2001 CPD ¶ 28 at 7. Where a protester challenges the agency's evaluation and source selection, we will review the evaluation and award decision to determine if they were reasonable, consistent with the solicitation's evaluation scheme, as well as procurement statutes and regulations, and adequately documented. See, e.g., Wackenhut Servs., Inc., B-400240, B-400240.2, Sept. 10, 2008, 2008 CPD ¶ 184 at 6; S4, Inc., B-299817, B-299817.2, Aug. 23, 2007, 2007 CPD ¶ 164 at 9.

We find, based on our review of the record, that the agency's well-documented evaluation of SHG's proposal was reasonable and consistent with the RFP's stated evaluation criteria. In this respect, the RFP identified several elements under the mission capability factor, including hotel sanitation; cleanliness; condition; quality control; maintenance, number of rooms; security features; check-in areas; dining capacity; and distance from MEPS and transportation centers. See RFP at 10-12. Here, the record shows that the agency found, and extensively documented, numerous qualitative differences in this regard between the protester's and the awardee's proposed hotels. The record does not support the protester's assertion that the agency evaluated proposal disparately or used undisclosed evaluation criteria.

Insofar as SHG suggests that the agency should not have considered the appearance of Integrated's proposed hotel kitchen, or SHG's atrium-style hotel lobby, the RFP clearly advised offerors that the agency would evaluate all aspects of their proposed hotels. See RFP at 10. Moreover, we believe that the agency's consideration of the appearance of the hotel kitchen's or the lobby's design are logically encompassed by, or related to, the consideration of the hotels' condition, sanitation, cleanliness, maintenance, quality control, check-in area, and safety features. See, e.g., Birdwell Bros. Painting & Refinishing, B-285035, July 5, 2000, 2000 CPD ¶ 129 at 6.

In this respect, the record does not support SHG's assertion that its kitchen should have been evaluated as a significant strength because it allegedly met the RFP's only

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<sup>6</sup> The protester does not challenge the agency's past performance or price evaluations.

“measurable” health requirements. In contrast, Integrated’s kitchen was found to be “well organized” and “spotless,” indicating “a well managed immaculate operation.” See AR, Tab 14, SSEB Consensus Report, at 2, 12. Similarly, with respect to the differing ratings assigned to SHG’s and Integrated’s proposed lobbies, the record shows that the evaluators assessed many aspects of the hotel lobbies, including their size, furnishings, décor, condition, public areas, lounging areas, and other amenities.

Although SHG disagrees with the agency’s technical evaluation, it has not shown that the evaluation was unreasonable or inconsistent with the stated evaluation criteria. A protester’s mere disagreement with an agency’s judgment does not establish that the agency acted unreasonably. See Citywide Managing Servs. of Port Washington, Inc., B-281287.12, B-281287.13, Nov. 15, 2000, 2001 CPD ¶ 6 at 10-11. There is also no merit to the protester’s belief that it should have received the highest evaluation rating under the mission capability factor merely because its proposal was assessed as having more strengths than weaknesses under that factor. See Applied Tech. Sys., Inc., B-404267, B-404267.2, Jan. 25, 2011, 2011 CPD ¶ 36 at 9 (no requirement that agency assign the highest rating under an evaluation factor simply because the proposal is evaluated as having strengths and/or no weaknesses).

The protester also objects to the agency’s selection decision, arguing that price was the most important evaluation factor under the RFP, and points out that SHG proposed a lower price than Integrated. Protest at 3-5. We disagree. As we discuss above, the RFP explicitly stated that the two non-price factors (mission capability and past performance), when combined, were significantly more important than price. RFP at 14. Although SHG believes that it should have been awarded the contract based on its lower-priced offer, the record shows that the agency performed a reasonable price/technical trade-off. There is no requirement in negotiated procurements that award be made on the basis of lowest cost or price unless the RFP so specifies.<sup>7</sup> Global Assoc., Ltd., B-256277, June 6, 1994, 94-1 CPD ¶ 347 at 7.

The protest is denied.

Lynn H. Gibson  
General Counsel

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<sup>7</sup> We also find no basis to conclude that the selection of Integrated’s proposal reflects favoritism on the part of the agency. Government officials are presumed to act in good faith, and a protester’s contention that contracting officials are motivated by bias or bad faith thus must be supported by convincing proof; we will not attribute unfair or prejudicial motives to procurement officials on the basis of inference or supposition. Career Innovations, LLC, B-404377.4, May 24, 2011, 2011 CPD ¶ 111 at 7-8. Apart from SHG’s unsupported assertion, Protest at 9, there is no evidence in the record showing bias or bad faith.