



Decision

Matter of: D'Andre Insurance Services, LLC

File: B-405046

Date: July 21, 2011

Carla A. D'Andre for the protester.

Sarah T. Zaffina, Esq., Department of the Interior, for the agency.

Peter D. Verchinski, Esq., and Guy R. Pietrovito, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest that an agency unreasonably rejected the protester's quotation is denied, where the agency reasonably found, consistent with the stated evaluation criteria, that the protester's quotation was technically unacceptable.

DECISION

D'Andre Insurance Services, LLC (DIS), of Miami, Florida, protests the issuance of a purchase order to Watts and Associates, Inc., of Billings, Montana, under request for quotations (RFQ) No. D11PS18819, issued by the Department of the Interior for professional services for the Risk Management Agency (RMA), U.S. Department of Agriculture.

We deny the protest.¹

BACKGROUND

The RFQ, issued as a combined synopsis/solicitation under the streamlined commercial item acquisition procedures of Federal Acquisition Regulation Parts 12.6 and 13, provides for the issuance of a fixed-price purchase order for the evaluation of, and recommended improvements for, the Nursery Crop Insurance Program, which is administered by RMA, and recommendations for alternative designs for

¹ Because a protective order was not issued in connection with the protest, our discussion is necessarily general.

providing insurance for nursery crops. A detailed statement of work (SOW) was provided that described the objectives of the purchase order as follows:

- 1) The Contractor will be required to evaluate the current Nursery Crop Insurance Program and to provide RMA with recommendations for potential ways to improve and streamline this program.
- 2) The Contractor will be required to research and develop recommendations for alternative designs for providing insurance coverage for nursery crops.

SOW at 28.

Vendors were informed that the purchase order would be issued on a best value basis considering the following factors: technical approach, project management, past performance, and price. RFQ amend. 2, at 7. The RFQ provided that the technical approach was significantly more important than the project management factor, which was stated to be significantly more important than past performance. Id. Price was stated to be less important than the technical approach and project management factors. Id. at 8.

With respect to the technical approach factor, vendors were instructed to, among other things, discuss their approach to performing the SOW evaluation and recommendation requirements, to obtaining feedback from customers, and to updating material for the current crop insurance program. Vendors were instructed to briefly discuss their preliminary ideas for alternative insurance coverage operations and to discuss the means for identifying alternative methods. The RFQ also requested that vendors provide resumes for their key personnel, identifying their qualifications and experience. Id. at 4.

The agency received three quotations, including DIS's quotation of \$2,631,950 and Watts' quotation of \$325,714.² Only the quotation of Watts was found to be

² The protester's quoted price also greatly exceeded the independent government estimate. AR, Tab 10, Award Summary, at 4. Although the agency found that DIS's price was excessive, it did not determine whether or not the firm's price was fair and reasonable. See id., Tab 9, Price Evaluation, at 2-3. Watts' and the other vendor's quoted prices were comparable to the government's estimate.

technically acceptable. Agency Report (AR), Tab 10, Award Summary, at 4. The protester's quotation received the following ratings:

	DIS
Technical approach	Unacceptable
Project Management	Marginal
Past performance	Neutral
Overall	Unacceptable

AR, Tab 7, Consensus Evaluation of Protester's Quotation, at 3-7.

The protester's unacceptable rating under the technical approach factor reflected the evaluators' judgment that DIS failed to demonstrate knowledge of how the nursery crop insurance program currently works and that the protester's quotation contained a deficiency and numerous weaknesses. Id. at 3-4. The agency found that the protester's quotation was deficient with respect to addressing how it would conduct the evaluation of the current program, because DIS's only discussion of developing alternatives was with respect to establishing maximum insurable prices for each insurable nursery plant. Id. at 4.

Among the weaknesses noted was that DIS's approach reflected excessive effort in some regards; for example, DIS indicated it would conduct a week-long kickoff meeting with RMA, but that this was usually accomplished through a 1-2 hour teleconference. As another example, DIS indicated it would have three individuals prepare and attend each listening session, which the evaluators found excessive.³ Id. at 3-4. Also, the evaluators expressed concern that DIS proposed conducting a review of underwriting after its review of loss adjustment standards, which the evaluators found was not a logical sequence. Also, the evaluators noted that the protester provided little detail on how DIS would determine alternative approaches to the current program, which was an important aspect of the procurement. Another weakness was that DIS identified nursery specialists that were only versed in herbaceous perennial production, even though insurance coverage was provided for many other types of plants. Id.

The purchase order was issued to Watts, and this protest followed.

³ A listening session is defined by the SOW to be a meeting with agricultural producers, reinsured company personnel, agents and loss adjusters, or other interested parties, where participants discuss issues relevant to the crop program under review. SOW at 26.

DISCUSSION

DIS broadly challenges its rating under each of the non-price factors, disagreeing with the agency's technical judgments and asserting that Interior's evaluation of its quotation reflected bias and bad faith.

In reviewing protests challenging an agency's evaluation of quotations, we will not conduct a new evaluation or substitute our judgment for that of the agency; rather we will examine the record to determine whether the agency's judgment was reasonable and consistent with the solicitation's evaluation criteria, and with procurement statutes and regulations. George T. Brown Assoc., B-404398, Jan. 26, 2011, 2011 CPD ¶ 28 at 3; All Points Int'l Distrib., Inc., B-402993, B-402993.2, Sept. 3, 2010, 2010 CPD ¶ 209 at 2-3. A vendor has the burden of submitting an adequately written quote, and it runs the risk that its quotation will be evaluated unfavorably when it fails to do so. George T. Brown Assoc., supra. A protester's mere disagreement with the agency's evaluation does not establish that the evaluation was unreasonable. Id.

Here, the protester's arguments reflect nothing more than disagreement with the agency's judgment as to the merits of the firm's quotation. As noted above, the agency found that the protester's quotation was deficient with respect to addressing how it would conduct the evaluation of the current program, because DIS only discussed alternatives to establishing maximum insurable prices for each insurable nursery plant. See AR, Tab 7, Consensus Evaluation of Protester's Quotation, at 4. DIS disagrees with the assigned deficiency, arguing that developing alternatives can only be done after performing the program evaluation, and that, in any event, its quotation provided a preliminary discussion of developing alternatives. Comments at 8. There is no merit to this argument. Vendors were instructed to discuss their approach to performing the SOW evaluation and recommendation requirements, which included, among other things, providing alternative methods for establishing liability on fluctuating nursery inventory, indemnifying nursery producers, and establishing the maximum insurable price. See SOW at 31. Although DIS argues generally that its quotation adequately addressed this requirement, we find no basis from our review of the quotation to question the reasonableness of the agency's judgment.

Similarly, DIS disagrees with the agency's assignment of weaknesses in the firm's quotation. For example, with respect to the agency concern that DIS had proposed excessive effort to perform this work and failed to demonstrate knowledge of the current program, DIS argues that the "resources needed is a professional determination" and that it has experienced insurance professionals, and not "academics or economists." See Comments at 8. With respect to the evaluators' concern that providing three individuals for each listening session seemed excessive, DIS contends only that it sees this as a positive and not negative attribute of its quotation. Id. at 10. Similarly, with respect to the agency's concern that the firms' plan to review underwriting after reviewing loss adjustment standards was not a

logical sequence, DIS only states that there is an advantage to performing the work in the sequence it offered and that therefore it should not be penalized for its “superior business analysis.” As noted above, arguments such as these that only disagree with the agency’s judgment do not demonstrate that the agency unreasonably evaluated the firm’s quotation.

We find that the agency reasonably rejected the protester’s quotation, given that the record supports Interior’s determination that the quotation was deficient and contained a number of weaknesses. Although protester complains that the agency’s evaluation reflects Interior’s bias against DIS, the protester has provided no evidence of such bias, other than its arguments disagreeing with the agency’s evaluation judgments. 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.

DIS also argues that Watts’ quotation should not have been found technically acceptable, because Watts is comprised of economists and not insurance professionals and horticulturalists. Protest at 2. In this regard, DIS contends that Watts does not have actuarial credentials to perform the SOW work.⁴ Comments at 4-5. We find no merit to the protester’s contention that Watts’ quotation should have been found technically unacceptable. Here, the RFQ provided for the evaluation of the qualifications of vendors’ key personnel. See RFQ at 4, 7. The agency found, and in fact assessed as a strength, the qualifications of Watts’ proposed key personnel, who the evaluators found had both a nursery and crop insurance background. See AR, Tab 8, Consensus Evaluation of Awardee’s Quotation, at 3; see also Tab 6, Watts’ Quotation, Key Personnel Resumes, at B1-B13. DIS has provided nothing to show that the agency’s evaluation judgment was unreasonable. In this regard, although DIS argues that a firm must have actuarial credentials to perform the SOW work, it cites to no specific language in the RFQ or SOW to establish that this is so.

DIS also protests that Watts’ quotation should have been rejected because Watts has an organizational conflict of interest (OCI), which DIS argues is established by the

⁴ DIS also complains that “[a] specific actuarial qualifying standard to affirm actuarially sound findings which is a required condition, was omitted in this Solicitation and thus is written to lesser standard than specific language used by other agencies referencing actuarial staffing” Comments at 5. To the extent that DIS challenges the terms of the RFQ, its protest is untimely. Our Bid Protest Regulations require that protests of alleged apparent solicitation improprieties be filed prior to the closing date for receipt of proposals or quotations. 4 C.F.R. § 21.2(a)(1) (2011).

fact that Watts' website indicates that the firm has performed other crop insurance program reviews. Protest at 2. DIS does not describe or explain how Watts' previous activities or actions result in Watts having an OCI. In response, Interior states that Watts does not have an OCI, given that the firm is not one of the reinsurance companies that service RMA crop insurance for the sales and loss adjustment of the various crop insurance programs and was not involved in the development or maintenance of the nursery program. See Contracting Officer's (CO) Statement at 11; see also CO's Investigation of Alleged OCI by D'Andre, June 14, 2011. DIS's arguments do not show that Watts has an OCI, or even an appearance of an OCI, or that the agency's judgment was unreasonable.⁵

We deny the protest.⁶

Lynn H. Gibson
General Counsel

⁵ In its comments, DIS appears to suggest that Watts has an OCI because the firm allegedly misrepresented its actuarial expertise. Not only is there no evidence to support DIS's supposition that Watts misrepresented its expertise, but such a misrepresentation would not establish an OCI.

⁶ Finally, DIS complains that Watts has received assistance from RMA in conducting a listening session, and allegedly asked RMA to fund two additional listening sessions in Florida. Comments at 2. Watts' performance of the purchase order is a matter of contract administration that we do not review. In any event, DIS does not explain how Watts' performance of the purchase order prejudiced DIS in the competition for this order.