



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

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Matter of: Research Triangle Institute

File: B-278254

Date: January 12, 1998

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DIGEST

The selection of a lower-rated, lower-cost offer for award rather than a higher-rated, higher-cost offer in a best value procurement in which technical merit was stated to be more important than cost was not improper where the agency reasonably concluded that the higher-rated offer, although technically superior to the lower-rated offer, was not worth the additional cost.

DECISION

Research Triangle Institute (RTI) protests the award of a contract to Chemonics International, Inc. under request for proposals (RFP) No. 97-001, issued by the United States Agency for International Development (USAID). RTI contends that, in deciding to award the contract to Chemonics, the contracting officer disregarded the proposal evaluation record and ignored the RFP's stated evaluation criteria which emphasized technical superiority over cost.

We deny the protest.

BACKGROUND

The RFP solicited proposals to provide technical assistance for the USAID Local Government Partnership (LGP) Program in Poland. The contractor is to support the efforts of Polish local governments to be more effective, responsive, and accountable on a sustainable basis. This is a follow-on contract to USAID's technical assistance pilot LGP program in Poland; RTI is a member of the

incumbent consortium of firms currently performing the pilot program. The RFP contemplated award of a 40-month, level-of-effort contract, and stated that the contractor would be paid on a cost-plus-award-fee basis.

The RFP stated that technical proposals would be scored by a technical evaluation committee (TEC) using the following technical evaluation criteria and maximum evaluation points:

1. Relevance of offeror's past performance in implementing similar projects and quality of performance under those contracts (20 points);
2. Degree to which the offeror's proposal reflects a clear understanding of the project's concepts and overall strategic objective, including the role and importance of performance monitoring (20 points);
3. Offeror's demonstration of full understanding of the technical issues involved in this procurement (15 points);
4. Viability of offeror's proposal for institutionalizing the LGP program within Polish institutions and professions for sustainability of results (20 points);
5. Qualifications of proposed personnel (15 points);
6. Offeror's proposal for a timely and effective management approach for implementing this program within the 3.5 year period of the project and the budget range (10 points).

The RFP also provided that cost proposals would be scored using the following cost factors and points: (1) Total cost (10 points), (2) Reasonableness of cost (5 points), and (3) Proposal award fee (5 points).

The RFP stated that the contract would be awarded to the offeror whose proposal, conforming to the solicitation, was most advantageous to the government, considering the above technical and cost factors. It also stated that "[t]he formula set forth above will be used by the Contracting Officer as a guide in determining which proposals will be most advantageous to the Government."

Five proposals were submitted. The TEC evaluated and scored the technical proposals. The contracting officer determined that the proposals of RTI, Chemonics, and a third offeror were in the competitive range. Discussions were conducted and the technical proposals were rescored. The technical scores and proposed costs of the three competitive range proposals were as follows:

Offeror	Technical score	Proposed cost
RTI	82.75	\$27,999,936
Chemonics	69	\$27,842,929
Third offeror	68.5	\$27,996,808

The agency requested three rounds of best and final offers (BAFO). The second and third rounds were necessitated by errors in RTI's cost proposal. After the first BAFOs--and after the TEC had recommended award to RTI--the contracting officer discovered RTI had not complied with a requirement for a 40-month budget; RTI had proposed only 39 months.

In the second BAFOs, RTI's proposed cost remained the same; Chemonics reduced its cost by \$330,211. Although RTI's second BAFO included the required 40-month budget, the firm made another error in its cost proposal. The contract includes a \$3 million grant program and the RFP required the cost of administering that program to be budgeted separately. RTI failed to comply with this provision, budgeting \$360,000 out of the \$3 million in grant resources for the cost of administering the grant program. The contracting officer requested another round of BAFOs, again advising RTI to revise its cost proposal to comply with the RFP.

In its third and final BAFO, RTI complied with the requirements of the grant program. RTI made other budget changes, including reapportioning training costs between RTI and its subcontractors, and reducing materials and communications costs. RTI also increased the overall cost of its proposal slightly to \$28,000,000, the highest of the three competitive range proposals. Chemonics, in its third BAFO, reduced its overall cost by \$1,648,789, by reducing its own and its subcontractors' fees and establishing ceilings on its overhead costs below the current rates. Thus, after the third round of BAFOs, the total cost difference between the RTI and Chemonics proposals was \$2.3 million.

After the third round of BAFOs, the contracting officer requested that the chair of the TEC provide an analysis of whether an award to RTI at a cost premium could be justified. In a memorandum to the contracting officer, the TEC chair explained that she discussed the \$2.3 million cost difference with two members of the TEC and stated that the difference in technical ratings between the RTI and Chemonics proposals did not justify the additional cost of an award to RTI. The memorandum recommended award to Chemonics.

The contracting officer then performed a cost analysis according to the formula in the RFP. Under the total cost factor, USAID awarded 5 of the 10 available points to each of the proposals because they were within the government's estimate, and awarded an additional 5 points to the Chemonics proposal since it achieved a lower

total cost. Under the cost reasonableness factor, the contracting officer awarded 3 of the 5 available points to the RTI proposal due to concerns that the firm's total cost did not change in spite of the adjustments in its cost proposal during discussions and due to the lack of specific measures in the proposal to provide cost savings. The contracting officer awarded Chemonics 4 points under the cost reasonableness factor based on a concern that Chemonics's proposed training and communications costs may be low. Under the award fee factor, the contracting officer noted that RTI's proposal included the highest award fee of the three proposals, while the Chemonics award fee was the lowest, and awarded 5 points to the Chemonics proposal and 3 points to the RTI proposal.¹ The cost points assigned to the three competitive range proposals, along with the technical scores and total scores assigned to each, were as follows:

	Total cost	Cost reason.	Award fee	Cost score	Tech. score	Total score
RTI	5	3	3	11	82.75	93.75
Chem.	10	4	5	19	69	88
Third offeror	5	3	4	12	68	80

In an award decision memorandum, the contracting officer noted that, while RTI had the highest-ranked technical proposal, its cost was approximately \$2.3 million greater than the cost of the Chemonics proposal. The contracting officer also stated that the Chemonics proposal provided an additional level of effort of approximately 195 person months of local professional staff and a fourth regional office, although the contracting officer stated that "these may or may not be technically significant but [they do] indicate further cost value." The contracting officer also stated that the cost difference was valid, noting that "[a]pproximately \$1.6 million of the difference is strictly due to [Chemonics's] reduced fee and indirect cost rate ceilings and thus represents a clear cost difference." The memorandum stated that, based on the significant cost difference, a cost/technical trade-off review was performed to determine if RTI's higher technical score provided an advantage that justified RTI's higher cost. The memorandum notes that the \$2.3 million difference was used in the trade-off decision, "although we believe that the determination is equally valid for \$1.6 million."

The contracting officer noted that RTI's technical proposal was stronger primarily in the areas of understanding the project's concepts and overall strategic objectives

¹RTI's proposed award fee was approximately 5 percent, while Chemonics's award fee was approximately 2.5 percent.

and understanding the technical issues involved, although the contracting officer noted that these strengths "might be expected since [RTI is] one of the organizations participating in the implementation of the pilot [LGP program]." In comparison, the contracting officer noted that "Chemonics demonstrated the institutional capacity to implement the program and can adequately perform the services called for in the RFP." According to the contracting officer:

While RTI had more depth of understanding, neither RTI nor Chemonics presented perfect technical proposals and while RTI's is clearly stronger, Chemonics' proposal in these areas has been determined by the TEC to be more than technically adequate to meet the Government's requirements.

The contracting officer also noted there were several factors which lessened the impact of the lower technical ranking of the Chemonics proposal. The contracting officer noted that Chemonics has a clearly superior core management team. For example, the contracting officer noted that the background, management, and leadership skills of Chemonics's chief of party exceed those of RTI's chief of party. The contracting officer also noted that Chemonics's proposal was strong on rapid mobilization and start-up, which will assist the firm in commencing implementation in a timely manner and getting up to speed more quickly on technical issues and understanding of the project's concept and overall strategic objective.

In addition, the contracting officer noted that Chemonics will have the opportunity to gain additional first-hand information and understanding of the technical issues, concepts, and strategic objectives of the program early in the contract. According to the award decision memorandum, USAID will turn over to the new contract team all relevant materials and contact information from the pilot program, and the statement of work calls for a several month period of overlap with the implementor of the pilot program during the transition period. In the award decision memorandum, the contracting officer concluded that the additional \$2.3 million of cost of the RTI proposal was neither necessary nor warranted and that "the Contracting Officer can not, in good conscience, justify the cost premium involved in gaining the technical advantages of the RTI proposal. The Chemonics proposal is most advantageous to the Government."

PROTEST ALLEGATIONS

RTI argues that USAID was so enamored with Chemonics's unexpected reduction in cost in its third BAFO that it decided to award to Chemonics based on its low cost, low technical offer. According to RTI, in order to reach this desired result, the agency essentially dismissed 4 months of proposal evaluation and study by the TEC, during which RTI outscored Chemonics 83 to 69 and scored higher on five of the six technical factors, including the four most highly valued factors. RTI argues that the agency's "single-minded objective" of awarding to Chemonics based on its low cost can be seen in the contracting officer's "pro forma" cost/technical trade-off which, according to RTI, ignored or dismissed evidence in the record that conflicted with its analysis. RTI also argues that at no point did USAID conduct any analysis of the value of the benefits the agency could enjoy from RTI's technically superior proposal. RTI argues the award was unreasonable and inconsistent with the stated evaluation scheme, which provided that technical considerations were more important than cost by a ratio of 5 to 1. According to RTI, it appears from the record that USAID deemed the various criteria within the technical factor to have equal weight and the technical and cost factors to also be equivalent.

RTI also argues that the trade-off decision sought to diminish RTI's technical superiority and elevate Chemonics's technical proposal, in spite of its deficiencies, as well as to expand the cost difference between the proposals. According to RTI, USAID's trade-off could do this only by ignoring and contradicting the evaluation of the proposals, by diminishing the weights of the more important technical subfactors on which RTI excelled, and by according determinative weight to technical subfactors with relatively low value on which Chemonics scored well. Finally, RTI argues that USAID's cost evaluation was deficient for questioning RTI's proposed cost and wrongfully deducting points from RTI's cost score.

ANALYSIS

Notwithstanding a solicitation's emphasis on technical merit, an agency may properly award a contract to a lower-cost, lower technically scored offeror if it decides that the cost premium involved in awarding to a higher-rated, higher-cost offeror is not justified, given the acceptable level of technical competence available at the lower cost. Dayton T. Brown, Inc., B-229664, Mar. 30, 1988, 88-1 CPD ¶ 321 at 4. The determining factor is not the difference in technical merit, per se, but the contracting agency's judgment concerning the significance of that difference. Id. at 4-5. In this regard, evaluation scores are merely guides for the source selection authority, who must use his or her judgment to determine what the technical difference between competing proposals might mean to contract performance, and who must consider what it would cost to take advantage of it. Grey Advertising, Inc., 55 Comp. Gen. 1111, 1118-19 (1976), 76-1 CPD ¶ 325 at 9-10. In making such determinations, the source selection authority has broad discretion, and the extent to which technical merit may be sacrificed for cost, or vice versa, is limited only by

the requirement that the trade-off decision be reasonable in light of the established evaluation and source selection criteria. Blue Cross Blue Shield of Texas, Inc., B-261316.4, Nov. 9, 1995, 95-2 CPD ¶ 248 at 13-14. Where, as here, cost is secondary to technical considerations, selection of a lower-priced, lower-rated proposal over a higher-rated proposal requires an adequate justification, *i.e.*, one showing that the agency reasonably concluded that the higher technical score did not reflect actual technical superiority, *see* Dayton T. Brown, Inc., *supra*, at 5-6, or that the higher-rated proposal's technical superiority was not worth the cost premium. *See* Wyle Labs., Inc.; Latecoere Int'l, Inc., 69 Comp. Gen. 648, 658-59 (1990), 90-2 CPD ¶ 107 at 16.

In this case, while the contracting officer acknowledged that RTI's proposal was technically superior, he determined that the technical superiority was not worth the cost premium. We conclude that the award decision was reasonable and in accordance with the RFP evaluation criteria.

First, we reject RTI's contention that, as a result of Chemonics's substantially reduced cost in its final BAFO, the agency disregarded or dismissed the earlier evaluation record, which had demonstrated the superiority of RTI's proposal. As RTI notes, based on the TEC evaluation, its proposal outscored the Chemonics proposal 83 to 69 points and scored higher on five of the six technical factors, including the four most highly valued factors. Nonetheless, RTI's proposal was far from perfect--having achieved a score of only 83 out of a possible 100 technical points. The evaluation record prior to the final Chemonics cost reduction shows the evaluators' concerns with a number of weaknesses in RTI's proposal. For example, in a memorandum prepared before the second BAFOs, the TEC chair stated that, while RTI's proposal was clearly superior to the other proposals, "the [TEC] found fault with certain aspects of [RTI's] technical approach, flexibility, and personnel choices"

In addition, the record shows that prior to the final Chemonics cost reduction the contracting officer questioned whether there was as significant a difference between the RTI and Chemonics technical proposals as was reflected in the TEC scoring. In another memorandum--prepared before the second BAFOs--the contracting officer stated he "was not fully convinced that the scoring reflected the technical difference - feeling that Chemonics, in such areas as past performance, personnel and management should have been given somewhat higher scores." Thus, contrary to RTI's suggestion, the agency's view of the offerors' proposals did not take a "drastic turn" after Chemonics reduced its price.

Second, we find no merit to RTI's argument that nothing in the record suggests that USAID attempted to determine the value of the specific benefits offered by RTI's technically superior proposal or to explain why its superiority on the most heavily weighted evaluation factors was not worth the additional cost. Specifically, RTI argues that neither a TEC memorandum recommending award to Chemonics nor

the award decision addressed the value of RTI's technical superiority or discussed its worth to the program. According to RTI, rather than addressing the value of RTI's technical strengths, the award decision merely focused on the "adequacy" of the Chemonics proposal and mentioned that firm's higher score on its core management team--an issue that was encompassed within the personnel qualifications technical subfactor, the fifth criterion in importance, worth only 15 out of 100 points.

In our view, the record establishes that the contracting officer and other agency officials made the effort to determine the value of the benefits of RTI's proposal in relation to the cost of that proposal and to explain why, in their view, the superiority of RTI's proposal was not worth the additional cost associated with that proposal. In order to address these questions, after the three rounds of BAFOs, the contracting officer asked another agency official to review the RTI and Chemonics proposals for realism and reasonableness and asked the chair of the TEC to provide a memorandum on whether she felt the higher technically rated proposal justified the higher cost. After receiving the input of those officials, the contracting officer noted that RTI's proposal was the highest ranked technically and was stronger primarily in the areas of understanding the project's concepts and overall strategic objectives and understanding the technical issues involved. The contracting officer discounted these strengths, however, stating that they "might be expected since [RTI is] one of the organizations participating in the implementation of the pilot [LGP program]."

Although the contracting officer never assigned a specific dollar value to RTI's superiority or otherwise attempted to quantify the advantages of RTI's proposal, there is no requirement that an agency do so. Southwest Marine, Inc.; American Sys. Eng'g Corp., B-265865.3, B-265865.4, Jan. 23, 1996, 96-1 CPD ¶ 56 at 19. Rather, the contracting officer need only determine, as he did here, that the additional technical benefit of RTI's proposal was not worth the additional cost of that proposal. In this respect, the contracting officer concluded that the additional \$2.3 million of cost of the RTI proposal was neither necessary nor warranted and that "the Contracting Officer can not, in good conscience, justify the cost premium involved in gaining the technical advantages of the RTI proposal. The Chemonics proposal is most advantageous to the Government." Contrary to RTI's contention that USAID never attempted to determine the value of the specific benefits offered by RTI's technically superior proposal, we conclude that the record shows exactly that effort by the contracting officer.

Third, the record does not support RTI's contention that the award decision was inconsistent with the weights assigned to the various technical evaluation factors or with the greater weight assigned by the RFP to technical merit over cost. The record shows that the contracting officer simply conducted his own examination into whether the technical difference between the RTI and Chemonics proposals were differences that would have an impact on performance of the contract and

would justify the additional cost. The contracting officer's disagreement with the TEC concerning the overall strength of the two proposals or the merits of the proposals under certain of the evaluation factors does not indicate that he disregarded the RFP evaluation scheme.

RTI nonetheless argues that USAID's trade-off ignored and contradicted the TEC's evaluation of the proposals, by diminishing the weights of the more important technical subfactors on which RTI excelled, and by according determinative weight to technical subfactors with relatively low value on which Chemonics scored well. According to RTI, the contracting officer's trade-off decision sought to diminish RTI's technical superiority and to elevate the Chemonics technical proposal, in spite of its deficiencies, as well as to expand the cost difference between the proposals. RTI challenges numerous aspects of the selection decision. We have considered all of these challenges and conclude that the contracting officer did not ignore the evaluation record and, to the extent that the contracting officer took exception to that record, the record provides support for his decision to do so. In this respect, source selection officials are not bound by the recommendations or evaluation judgments of lower-level evaluators, even though the working-level evaluators may normally be expected to have the technical expertise required for such evaluations. Loral Aeronutronic, B-259857.2, B-259858.2, July 5, 1995, 95-2 CPD ¶ 213 at 8. We address below a number of illustrative examples of RTI's arguments.

For example, RTI challenges the contracting officer's suggestion that RTI's technical superiority was due to its work on the pilot project. As explained above, in his award decision, the contracting officer noted that RTI's technical proposal was stronger than the Chemonics proposal primarily in the areas of understanding of the project's concepts and overall strategic objectives and understanding of the technical issues involved. The contracting officer noted, however, that these strengths "might be expected since [RTI is] one of the organizations participating in the implementation of the pilot [LGP program]."

RTI disputes the significance of its experience on the pilot project. First, RTI notes that it has not been a prime contractor on the project; it is only a subcontractor. In fact, notes RTI, one of the subcontractors proposed by Chemonics under this solicitation also is a subcontractor on the pilot project. Thus, according to the protester, any advantage enjoyed by RTI as a result of its "incumbency," is shared by the Chemonics team. In addition, RTI argues that USAID should not be permitted to dismiss RTI's technical advantage as simply a benefit of incumbency. According to RTI, citing our decision PharmChem Labs., Inc., B-244385, Oct. 8, 1991, 91-2 CPD ¶ 317 at 5, the record here lacks a showing in the contemporaneous evaluation record "that [the protester's] superiority was illusory or so insignificant that it could be offset" by the lower-cost offer.

We disagree. As USAID explains, Chemonics itself was not involved in the pilot project and, as RTI noted in its protest, RTI is a member of the incumbent

consortium of firms currently performing the pilot program in Poland.² The contracting officer's view, as stated in the award decision document, was that RTI's understanding of the project, as reflected in its proposal, was enhanced by its work on the pilot. We have no basis to disagree with that view. Source selection officials in appropriate circumstances properly may conclude that a numerical scoring advantage based primarily on incumbency does not indicate an actual technical superiority that would warrant a higher cost. See Computer Tech. Servs., Inc., B-271435, June 20, 1996, 96-1 CPD ¶ 283 at 6. In addition, although the contracting officer never determined that the technical superiority of RTI's proposal was "illusory," he did decide, as explained above, that it was not worth the additional cost.

RTI also argues that USAID unreasonably attempted to lessen the impact of Chemonics's lower technical rating and that those attempts have failed. For example, RTI notes that the selection decision cites Chemonics's strength on the "core management team" as a factor that lessens the disparity in the technical scores. RTI argues, however, that Chemonics's core management team was fully considered and evaluated in the proposal scoring and, according to the protester, Chemonics's strength in this area should not result in it receiving additional credit in the trade-off. RTI argues, moreover, that Chemonics's purported strength is illusory. According to RTI, the record shows that Chemonics's past performance is characterized by regular failure to deliver the team it proposes. RTI notes that the TEC recognized this failure and alerted the contracting officer as follows:

References on past and current projects reported that Chemonics has underbid on several proposals, requiring post-contract award changes. In the majority of cases checked by the committee, there were problems with staffing--either the original team that was bid was not delivered and/or key staff had to be replaced. In some instances there was 100% turnover of expatriate staff from proposed staff to the final implementation team. Given that the committee felt that one of Chemonics' strongest points was the core management team, their poor track record of uncertain staffing was particularly troublesome.

RTI notes that the contracting officer's award decision memorandum does not acknowledge this documented failure on Chemonics's part to live up to its proposal representations. According to RTI, Chemonics's "particularly troublesome" track record of "uncertain staffing" played no role in the agency's trade-off analysis.

²RTI also stated in its protest that it "has been the prime contractor or major subcontractor on two other large USAID contracts providing technical assistance and training directly to local governments in Poland since 1992."

In our view, the contracting officer simply determined that Chemonics's lower technical score was not an accurate reflection of the quality of performance that could be expected from that firm. We conclude that the contracting officer could reasonably make that determination based on the record. First, notwithstanding RTI's contention that Chemonics was given additional credit in the trade-off for its core management team, the record shows that this was not the case. Rather, the contracting officer simply stated his view that Chemonics's superior management team would likely overcome weaknesses in other aspects of its proposal.

Second, although RTI argues that the contracting officer's award decision memorandum did not acknowledge Chemonics's documented failure to regularly deliver the team it proposes, as USAID points out, this matter was raised with Chemonics in discussions and the firm provided an explanation which the agency accepted. Specifically, Chemonics was asked about reports that the firm underbid on several proposals and that post-award contract changes were required to replace staff members that were not delivered or otherwise had to be replaced. In its response to this discussion question, Chemonics acknowledged the agency's concerns and explained the circumstances that had led to the replacement of personnel on a number of projects. Chemonics also explained that, in order to allay the agency's concerns, it had maintained contact with and reconfirmed the availability of all key personnel on this project. This response satisfied the agency's evaluators. After the discussions related to this issue, the chair of the TEC prepared a memo which stated that "[t]he Chemonics proposal is clearly superior in its core management team." In addition, in the award decision, the contracting officer considered Chemonics's core management team to be a strength and superior to RTI's core management team. Thus, although RTI disagrees with the agency's view of the Chemonics management team, the record shows that the agency's concerns in this area were addressed and satisfied by Chemonics.

RTI also argues that the contracting officer is wrong to suggest in the award decision that Chemonics will be able to compensate for its low technical scores when it gains additional first-hand information and understanding of the technical issues, concepts, and strategic objectives of the program early in the contract. As explained above, the award decision memorandum noted that USAID will turn over to the new contract team all relevant materials and contact information from the pilot program. RTI argues that the evaluation and the selection decision should have been based on the content of the proposals, "not on expectations for the future." In addition, according to RTI, giving Chemonics credit in the trade-off analysis for such factors as understanding of the technical issues, concepts, and strategic objectives effectively wrote those criteria out of the RFP evaluation scheme--at allegedly severe prejudice to RTI, which outsourced Chemonics on those factors by 31.6 to 20.8 points. RTI also argues that the contracting officer is simply wrong that information will be made available to the awardee that was not available earlier. RTI states that the materials in question were made available under the RFP during the proposal process.

We conclude that the contracting officer could reasonably conclude that RTI's technical superiority is mitigated to some degree by Chemonics's ability to get up to speed quickly because it will have the opportunity to gain first-hand information and understanding of the technical issues, concepts, and strategic objectives of the LGP program early in the contract. Although RTI disparages the contracting officer's conclusion in this regard and argues that the evaluation and the selection decision should be based on the proposals, "not on expectations for the future," we see nothing unreasonable in agency officials reviewing proposals with a goal of deciding what sort of performance to expect from a particular firm if it is awarded a contract; this is precisely what the evaluators are expected to consider.

We also do not agree with RTI that the effect of giving Chemonics credit in the trade-off analysis for understanding of the technical issues, concepts, and strategic objectives was to write those criteria out of the RFP evaluation scheme. The contracting officer was simply expressing his view that the Chemonics proposal may have been entitled to greater credit under these factors than it had been assigned in the evaluation. Since, as explained above, source selection officials are not bound by the recommendations or evaluation judgments of lower-level evaluators, Loral Aeronutronic, *supra*, at 8, there was no impropriety in the contracting officer reaching a different (equally reasonable) view of Chemonics's proposal than the evaluators did.

Concerning RTI's contention that the contracting officer wrongly concluded that Chemonics will benefit under the contract from the availability of information on the pilot program since the materials in question were made available during the proposal process, the agency acknowledges that some documents were in fact made available to offerors under the RFP. Nonetheless, the agency reports that additional materials will be made available to the awardee under the contract. USAID notes that the RFP states that all relevant materials and contact information from the pilot program will be turned over to the contractor during a transition period and explains that some of these materials were still being generated under the pilot program while the procurement was taking place. Based on this explanation, we think the contracting officer could reasonably conclude that Chemonics will have access to information that will allow it to gain additional first hand information and understanding of the technical issues, concepts, and strategic objectives of the LGP program early in the contract.

Moreover, we think the contracting officer could reasonably conclude that Chemonics's access to documents from the pilot program during this procurement was not the same as having participated--as did RTI--under the pilot program. As explained, we think the contracting officer reasonably observed that some of RTI's evaluated strengths were to be expected as a result of RTI's involvement in the pilot program. We think it was also reasonable for the contracting officer to conclude that, once Chemonics has a similar exposure, it will have a similar depth of

knowledge and, therefore, this difference between the two firms did not represent additional value to the extent that the technical scores reflected.³

RTI also challenges the suggestion in the award decision that the \$2.3 million cost difference between RTI and Chemonics may be greater because the Chemonics proposal provided an additional level of effort of approximately 195 person months of local professional staff and a fourth regional office. RTI notes that the contracting officer in the award memorandum noted that "these may or may not be technically significant" Moreover, RTI argues that there is evidence in the record that the additional personnel and regional office would not add value, since several members of the TEC identified Chemonics's extra staffing and regional office as weaknesses because they were expensive and not cost effective.

These contentions are essentially irrelevant to the source selection decision. As explained above, the contracting officer noted in the award decision that the difference in cost between the RTI and Chemonics proposals was approximately \$2.3 million. The contracting officer's point in referring to the additional level of effort in the Chemonics proposal was that Chemonics's actual cost advantage may be greater than \$2.3 million. The contracting officer stated, however, that the cost/technical trade-off was based on the difference of \$2.3 million. Under the circumstances, the additional level of effort referred to by the contracting officer in the award decision had no significant impact on the trade-off decision.

RTI also challenges the cost evaluation, arguing that the contracting officer's concerns that resulted in a downgrading of RTI's cost proposal and the loss of points in the cost evaluation were unreasonable. In awarding RTI's proposal only 5 points, the contracting officer noted that RTI's cost was at the top of the government estimate, as it had been throughout the competition. The cost evaluation memorandum prepared by the contracting officer also stated that RTI's budget was "somewhat difficult to follow" and, "left the Contracting Officer with the feeling that there was some lack of realism here and the total cost may be more than \$28 million." According to the cost evaluation memorandum, the reason for these concerns was that, although RTI had ultimately correctly increased the number of months covered by the budget from 39 to 40 and had increased the funds

³RTI also states that the contracting officer is simply wrong that there would be a several month period of overlap with the implementor of the pilot program. RTI notes that the overlap with the implementor of the pilot program was deleted by an amendment to the RFP. Apparently, the contracting officer was mistaken in this respect. Nonetheless, we do not see how that mistake could make any difference in the award decision. As we explained above, we think the contracting officer could reasonably conclude that Chemonics will be able to compensate for its lower technical scores due to its strong core management team and access to materials from the pilot.

in the grant program, neither of these actions resulted in a significant increase in the estimated cost.

RTI argues that, in deducting points from RTI's cost score, the agency overlooked the adjustments RTI made in its cost proposal to offset whatever cost increase may have been required by these changes. According to RTI, the factual record before the contracting officer was more than sufficient to rebut the contracting officer's "feeling" that there was a lack of realism in RTI's proposal. As RTI notes, its final BAFO response indicated that the firm had revised a number of line items of its cost proposal in order to accommodate the change in grant administration costs.

RTI also argues that the deduction of points under the total cost factor was inconsistent with the agency's finding that RTI's costs were considered reasonable. In addition, RTI argues that the total cost factor scores were not based on any consideration of the magnitude of the difference in offeror prices. According to RTI, it was unreasonable for the agency to award Chemonics 100 percent of the available points under the total cost factor for having the lowest cost and then to award RTI only 50 percent of the available points even though RTI's proposed cost was only 9 percent higher than that of Chemonics. RTI argues that, if it had "received the additional four or five points commensurate with its price," the disparity in total points between the RTI and Chemonics proposals would have been greater and may have resulted in a different trade-off result.

These contentions do not call into question the propriety of the source selection decision. The record reflects that most of the difference in the cost scores assigned to the two proposals was due to the difference in their scores on the total cost factor. Essentially, that difference was due to the fact that RTI's proposal was the highest cost proposal in the competitive range, while the Chemonics proposal was the lowest. RTI argues that it was unreasonable for the agency to award Chemonics 100 percent of the available points (10 points) under the total cost factor for having the lowest cost and award RTI only 50 percent of the available points, even though RTI's proposed cost was only 9 percent higher than that of Chemonics. RTI's arguments here amount to little more than a disagreement with the score assigned to its cost proposal and provide no basis for us to challenge

those scores.⁴ See Medical Serv. Corp. Int'l, B-255205.2, Apr. 4, 1994, 94-1 CPD ¶ 305 at 10-11.

The protest is denied.

Comptroller General
of the United States

⁴In any event, it is clear that the contracting officer did not make the source selection decision based on a difference in points assigned to the cost proposals. Rather, as explained above, the award decision reflects the contracting officer's consideration of the expected \$2.3 million cost difference between the two proposals in relation to the technical differences between the proposals. The 4 or 5 additional points claimed for RTI's cost proposal would clearly have been irrelevant in the selection decision, which was based, properly, on an analysis of whether RTI's higher technical rating justified its higher cost.