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Decision

Matter of: National Systems Management Corporation

File: B-286112.2

Date: November 16, 2000

Andrew N. Cook, Esq., and Joel S. Rubinstein, Esq., Bell, Boyd & Lloyd, for the protester.

Joseph Boggs, Esq., Department of the Navy, for the agency.

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DIGEST

1. Agency's evaluation of protester's proposal is unobjectionable where the record establishes that the evaluation was reasonable and consistent with the stated evaluation factors; protester's mere disagreement with the agency's conclusions does not render the evaluation unreasonable.
2. Under best value solicitation in which technical factors were more important than price, selection on the basis that protester's technical advantage on most important technical factor did not warrant the associated price premium is unobjectionable and consistent with the evaluation scheme.

DECISION

National Systems Management Corporation protests the award of a contract to Sierra Management and Technologies, Inc., under request for proposals (RFP) No. N00421-00-R-0116, issued by the Department of the Navy, Naval Air Warfare Center, as a small business set-aside for technical support services in the acquisition and life-cycle management of aircraft weapons systems and government-furnished equipment. National contends that the agency's technical, management and past performance evaluations were flawed and that the agency improperly altered the relative importance of the stated evaluation factors.

We deny the protest.

The solicitation, issued November 22, 1999, contemplated the award of a time-and-materials indefinite-delivery/indefinite-quantity 12-month contract with

four 1-year options for technical assistance support, including program management support, information management support, configuration and acquisition production support, and administrative support at Lexington Park, Maryland and the Naval Air Station, Patuxant River, Maryland. The RFP provided for award to the offeror whose conforming proposal was determined to be the best value to the government and set forth four technical evaluation factors, including personnel, technical (which entailed responses to sample tasks), past performance, and management. Personnel was more important than technical, past performance, and management, which were stated to be of equal importance, and cost was least important. The RFP advised that the agency reserved the right to make an award to other than the lowest priced offeror or the offeror with the highest technical score if the agency determined that to do so would result in the best value to the government.

Five proposals, including National's and Sierra's, were received by the January 20, 2000 closing date. The proposals were evaluated by five evaluation teams, including one for each technical evaluation factor and a cost evaluation team. Members of the technical evaluation teams individually evaluated each proposal and, in internal discussions, reached a consensus on the strengths and weaknesses of each proposal. Proposals were assessed under each evaluation factor using five adjectival ratings: "outstanding," "highly satisfactory," "satisfactory," "marginal," or "unsatisfactory." The evaluation teams also assigned a risk rating of "high," "medium," or "low" under the personnel, technical and management factors. The risk ratings for past performance were "very low," "low," "moderate," "high," "very high," and "unknown."

Based on the initial evaluation, four proposals, including National's and Sierra's, were included in the competitive range. On June 9, discussions in the form of written items for negotiations were issued along with the request for final proposal revisions (FPRs). FPRs were received by June 19. The final ratings and evaluated costs for the awardee's and the protester's proposals were as follows:

	<u>National Rating/Risk</u>	<u>Sierra Rating/Risk</u>
Personnel	outstanding/low	highly satisfactory/low
Technical	satisfactory/low	satisfactory/low
Management	satisfactory/low	satisfactory/low
Past Performance	low risk	low risk
Evaluated Cost	\$12,295,635.20	\$10,807,603.20

The evaluation teams forwarded their evaluation results to a five-member competitive award panel (CAP), which reviewed the evaluations and recommended to the source selection authority (SSA) that award be made to Sierra. The SSA approved the award recommendation and award was made to Sierra on August 17. After an August 28 debriefing, National protested to our Office.

EVALUATION

Technical

National protests that the agency's evaluation of its proposal under the technical and management factors was improper. Under the technical factor, National contends that the agency failed to identify strengths, weaknesses and deficiencies in the protester's responses to the four sample tasks and to acknowledge strengths in National's proposal. The protester claims that the evaluators "merely inserted comments" in the evaluation documents rather than identify strengths and weaknesses. Protester's Response to Dismissal Request at 3. To support this claim, National notes that out of 108 categories of input in the evaluation of offerors, National received only 2 strength notations, and no weakness or deficiency notations. *Id.* at 2. National argues that the agency's failure to identify strengths and weaknesses under this factor resulted in a flawed evaluation.

The evaluation of technical proposals is a matter within the contracting agency's discretion since the agency is responsible for defining its needs and the best method of accommodating them. *KRA Corp.*, B-278904, B-278904.5, Apr. 2, 1998, 98-1 CPD ¶ 147 at 7. In reviewing an agency's technical evaluation, we will not reevaluate the proposal, but will examine the record of the evaluation to ensure that it was reasonable and in accordance with stated evaluation criteria, and not in violation of procurement laws and regulations. *Id.* A protester's disagreement with the agency's judgment, standing alone, is not sufficient to establish that the agency acted unreasonably. *Oceaneering Int'l, Inc.*, B-278126, B-278126.2, Dec. 31, 1997, 98-1 CPD ¶ 133 at 6-7.

Here, we find no merit in National's contention that the evaluation of its proposal under the technical factor was improper. Nine areas were evaluated under each sample task (including, for example, the overall feasibility and completeness of the offeror's proposed technical approach, the offeror's knowledge of the content of the work, the offeror's recognition of the appropriate sequence and realistic duration of work activities, the offeror's knowledge of the personnel and subcontractor qualifications necessary to complete the work, and the offeror's ability to identify a suitable labor mix to accomplish the task). While it is true that, in their evaluation of National's proposal, the evaluators noted few strengths and no weaknesses or deficiencies, the evaluators did include comments under each of the nine evaluation subfactors under each sample task. For example, under sample task 1, the evaluators noted that National provided a detailed, comprehensive technical approach, demonstrated knowledge of the types of activities required to perform the tasks, and provided full details on resource allocation by type and task. Agency Report, Tab 8, at 1-5. Under sample task 3, the evaluators noted that National provided a detailed work plan with a labor mix to explain how the work would be performed, provided a listing of the types of resources required and a work plan

which detailed the work activities in an appropriate sequence. Id. at 11-14. Evaluator comments on sample tasks 2 and 4 were similar.

Thus, the record shows that the agency noted positive attributes of National's proposal under every category of every sample task. We see no reason that the agency was required to conclude that these attributes rose to the level of "strengths." To the extent that National argues that these positive attributes were required to be classified as "strengths," the protester is merely disagreeing with the agency's assessment. In any event, while National argues that the Navy failed to acknowledge its strengths, the protester does not point to anything specific in its responses to the sample tasks that it believes should have been rated as a "strength." Indeed, National has not shown that the agency unreasonably determined that its responses to the sample tasks generally demonstrated neither strengths nor weaknesses. Under these circumstances, we see nothing unreasonable in the agency's evaluation of National's proposal.

Management

National next argues that the evaluation under the management factor was improperly skewed in favor of offerors using subcontractors, contingency hires and part-time personnel. National proposed to use its own personnel with no contingency hires or subcontractors. Since its use of its own employees was not noted as a "strength," the protester argues that its proposal was somehow downgraded on this factor and its evaluation is therefore too low.

We see no basis to question the agency's evaluation of National's proposal with regard to management. Specifically, the agency evaluated 15 areas under the management factor, including, for example, the offeror's approach regarding proposed subcontractors, its integration plan for subcontractors, its proportion of contingency hires and the specific employees who are contingency hires. For these areas, the Navy noted no strengths, weaknesses or deficiencies in National's proposal but commented, for example, that "No subcontractors were proposed," "No subcontractors being utilized," and "There are no contingency hires." Agency Report, Tab 8, at 19, 20, 22. Thus, the record clearly shows that the agency was aware that National proposed only in-house employees to perform the work required under the solicitation. Since the agency judged that these employees met its needs, its proposal was evaluated as satisfactory on this factor. Thus, National was given credit for its in-house personnel and its proposal was not downgraded. Moreover, the agency's written summary of its evaluation on this factor shows that it also considered National's use of in-house personnel in its risk assessment. Here, the Navy specifically states that National had no proposed contingency hires or subcontractors and therefore could be productive the first day because of its current and prior experience. The agency also noted that award to National would result in little or no potential to cause disruption of schedule, increase in cost or degradation

of performance. Under these circumstances, we see no basis to question the Navy's evaluation.

National argues, again, that the agency failed to adequately identify its proposal's strengths under this factor. The protester points to one instance concerning its staffing plan where the agency in its comments stated that its "current and prior experience is a definite strength" because it was "currently doing similar tasks" and there were "no forecasted contingency hires." Agency Report, Tab 8, at 20. Noting that the agency's overall evaluation did not identify National's experience/staffing as a "strength," the protester argues that its proposal "was not given credit for strengths even the Navy admits are strengths." Protester's Comments at 3.

National's "current and prior experience" was listed as a "definite strength" in the "Comments" section regarding the offeror's staffing plan and phase-in of employees upon contract award. It is unclear why this assessment was not carried over and specifically listed as a "strength." However, as noted above, the offeror's staffing plan was only one of 15 areas evaluated under the management factor, and therefore would not affect the award decision. In any event, this "strength" was reflected in the overall evaluation record because the Navy noted in its overall management risk rating that National has no proposed contingency hires and no proposed subcontractor and that National could "be productive the first day because of [its] current and prior experience with the proposed tasking." Agency Report, Tab 8, at 24. Additionally, the strength of National's proposed staffing was part of the business clearance memorandum, which was prepared by CAP members and submitted to the SSA for review. Agency Report, Tab 5, at 9-11. The CAP recognized that National's proposal was low risk and "would have little to no potential to cause disruption of schedule, increase cost, or degrade performance." *Id.* at 10. In making its best value determination, the CAP looked at the overall assessments of both National and Sierra and determined that, viewed as a whole, National's and Sierra's management proposals were essentially equal with no significant qualitative or risk differences between the two proposals, and the SSA accepted this assessment. *Id.* at 9-10. Moreover, we have reviewed each comment concerning the Navy's evaluation of National's management proposal and find no other instance where the Navy identified a "strength" in its comments but failed to specifically list it as a "strength" in its evaluation, and the protester does not point to any other areas of its management proposal that it believes were "strengths" that the Navy failed to acknowledge. Under these circumstances, we cannot find that the agency's evaluation of National's management proposal was unreasonable.

Past Performance

National also challenges its "low" risk assessment based on its past performance. National argues that its past performance record should be assessed as "very low" risk, pointing to its performance and outstanding rating as the incumbent contractor in successfully performing the same type, size and complexity of work. Protest at 3.

The record shows that the agency obtained responses concerning National's past performance from four references. Agency Report, Tab 10, at 2-17. Each reference noted whether it "strongly disagreed," "disagreed," "somewhat agreed," "agreed," or "strongly agreed" with 21 statements relating to National's quality of service, cost control, schedule, business relationships, customer satisfaction and key personnel. Id. at 2-3. For example, under customer satisfaction, references were to indicate, among other things, their agreement or disagreement with the statements, "The products/services provided adequately met the needs of the program," and "I am satisfied with the performance of the Contractor under this effort." Under quality, the references were to indicate agreement or disagreement with, for example, the statement that "The Contractor provided a product or service that conformed to contract requirements, specifications, and standards of good workmanship." Under schedule, the references were to indicate agreement or disagreement with two statements, including National's responsiveness to technical and/or contractual direction and whether National performed in a timely manner and in accordance with the contract. References also submitted narrative comments on National's past performance.

Our review of the four past performance surveys submitted on National's behalf show that two respondents strongly agreed with each of the 21 statements on the survey forms. Id. at 2-3, 10-11. Both respondents in their narratives reported that National provided outstanding service, which exceeded contract requirements. Id. at 4-5, 12-13. The other two surveys generally noted agreement with the 21 statements. One reference "strongly agreed" with several statements, including all cost control items, while the other "strongly agreed" with the two schedule items. Id. at 6, 15. These references "somewhat agreed" to six statements regarding quality of service, personnel, cost control, and customer satisfaction, including, for example, the statement that the contractor demonstrated cost efficiencies, utilized personnel appropriate to the effort, and provided a product or service that conformed to contract requirements, specifications, and good workmanship. Id. at 6, 15-16. These lower ratings caused the agency evaluators to conclude that a low risk assessment was appropriate. Agency Report, Tab 9, Declaration of Past Performance Evaluation Team Member, at 2. While National may disagree with this assessment, mere disagreement does not render the assessment unreasonable. Accordingly, we see nothing unreasonable in the agency's risk assessment.

Best Value Determination

Finally, National complains that the agency improperly modified the relative weights of the evaluation criteria outlined in the solicitation without informing offerors. Specifically, National claims that the Navy improperly elevated the importance of cost/price, which was stated to be the least important evaluation factor, and lowered the importance of personnel, which was stated to be the most important criterion. National essentially argues that because its proposal was rated higher than Sierra's

on personnel, which was the most important technical factor, the protester should have been awarded the contract.

Source selection officials in negotiated procurements have broad discretion in determining the manner and extent to which they will make use of technical and cost evaluation results. Roy F. Weston, Inc., B-274945 et al., Jan. 15, 1997, 97-1 CPD ¶ 92 at 17. Since the RFP here stated that award would be made to the offeror whose proposal was determined to be the best value to the government, considering price and other factors, the agency had the discretion to determine whether the technical advantages associated with National's personnel proposal warranted payment of its higher price. Contrary to the protester's apparent belief, the agency was not required to make award to the firm offering the highest-ranked technical proposal.

Here, the record shows that the agency did not modify the relative importance of the evaluation factors. Rather, as permitted under the best value evaluation scheme, the evaluators evaluated each proposal on each of the stated evaluation criteria and compared National and Sierra on each of the technical evaluation factors. The Navy specifically noted National's higher rating under personnel, but determined that this technical advantage did not warrant payment of the price premium associated with National's proposal. Agency Report, Tab 5, Business Clearance Memorandum, at 9-11. The Navy's comparison and balancing of the cost/technical benefits reflects the proper use of the agency's discretion in making the best value determination. Under these circumstances, we see nothing improper in this selection decision as it reflects an appropriate comparison of competing proposals and a reasoned determination to select the lower-cost proposal.

The protest is denied.

Anthony H. Gamboa
Acting General Counsel