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Decision

Matter of: Holiday Inn-Laurel

File: B-290364

Date: June 10, 2002

Donald A. Tobin, Esq., and Lori Ann Lange, Esq., Bastianelli, Brown & Kelley, for the protester.

Maj. Robert W. Clark and Col. Michael R. Neds, Department of the Army, for the agency.

Tania Calhoun, Esq., and Christine S. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protester's challenge to the evaluation of its proposal is denied where the record shows that the evaluation was reasonable and consistent with the stated evaluation criteria.

DECISION

Holiday Inn-Laurel (HIL) protests the award of a contract to Command Management Services, Inc. (CMS) by the Department of the Army's Directorate of Contracting, Fort Knox, Kentucky, pursuant to request for proposals (RFP) No. DABT23-02-R-0005, issued to procure meals, lodging, and transportation for applicants arriving for processing at the Military Entrance Processing Station (MEPS) in Baltimore, Maryland. HIL primarily argues that the agency improperly evaluated proposals against unstated evaluation criteria.

We deny the protest.

The RFP is a standard solicitation developed by the Directorate of Contracting for procuring meals and lodging for armed forces applicants arriving at the Army's 65 MEPS locations. These MEPS RFPs are issued as commercial acquisitions using simplified acquisition procedures, and anticipate award of a fixed-price, indefinite-quantity requirements contract, for a base period followed by four 1-year option periods, to the offeror whose proposal is considered most advantageous to the government.

The RFP requires offerors to submit separate technical/quality and price proposals. Offerors are advised that award will be made, without conducting discussions, to the firm whose proposal represents the best value to the government, based on the following evaluation factors: facility quality, transportation, quality control, past performance, and price. The facility quality factor is comprised of six subfactors: sanitation and cleanliness, room condition, meals, security, special features, and facility location. Among the non-cost factors, facility quality is more important than transportation, which is more important than past performance, which is as important as quality control. The non-price factors are more important than price.

The Army received 12 proposals in response to the solicitation, including those of HIL and CMS, using Comfort Inn BWI.¹ These proposals were evaluated by a three-member team, which then conducted a videotaped inspection of each offeror's lodging and dining facilities. The contracting officer explains that inspection teams spend no more than 45 minutes at each location to verify information that was proposed by the properties and, among other things, ask to see one or two guest rooms planned for use by the applicants, the kitchen and dining room, and vehicles that will be used for transporting applicants. Contracting Officer's Statement at 2.

At the conclusion of the inspection, the evaluation panel prepared a narrative assessment and overall adjectival consensus rating for each offeror based on the results of the inspection and on the panel's review of the proposal. The adjectival ratings used here--excellent, good, satisfactory, marginal, and unsatisfactory--were identified and defined in the solicitation. This information, together with the selection decision, was memorialized in a document prepared by the contracting officer.

For HIL, the incumbent contractor, the evaluation narrative focused mostly on the results of the inspection. The evaluation team had "big concerns" with housekeeping in the rooms and the overall cleanliness of the kitchen, which the contracting officer stated had been a concern for a while. The evaluation team found that "[a]ll mattress covers contained hair and stains and underwear was found between a mattress." Source Selection Statement at 3. In addition, surveys on file regarding the quality of the food and the hotel's standards showed that they were not what MEPS was looking for using best value procedures. The contracting officer was also concerned that the only security cameras on the premises monitored the section of the hotel that was not used to house applicants. Because the property failed to improve its housekeeping and kitchen cleanliness, lacked security surrounding the area housing

¹CMS is not a hotel, but a management company that subcontracts with local hotels to perform MEPS contracts throughout the country. The contracting officer acknowledges that CMS currently holds approximately 40 percent of the contracts awarded by the Army for its 65 MEPS locations. Contracting Officer's Statement at 3. Using various hotels, CMS submitted 9 of the 12 offers here.

applicants, and did not have good quality assurance and past performance ratings, the proposal was rated marginal. Id. at 3.

HIL's overall rating of marginal made it the 10th highest-rated proposal of the twelve. The consensus rating assigned to each proposal, and that proposal's total price for the base year and all four option years, is set forth below:

CMS-Comfort Inn BWI	Excellent	\$ 7,869,944.30
Offeror B	Good	\$ 9,353,704.60
Offeror C	Good	\$ 8,185,775.20
Offeror D	Good	\$ 7,543,485.62
Offeror E	Satisfactory	\$ 7,718,884.60
Offeror F	Satisfactory	\$ 8,186,173.20
Offeror G	Satisfactory	\$ 7,793,275
Offeror H	Satisfactory	\$10,171,704
Offeror I	Marginal	\$ 8,886,904.20
Holiday Inn-Laurel	Marginal	\$ 5,514,110
Offeror J	Unsatisfactory	\$ 5,719,500
Offeror K	Unsatisfactory	\$ 6,200,314.80

Based on these findings, the contracting officer concluded that the offer submitted by CMS represented the best value to the government. Among its benefits was its proposal of a liaison person dedicated to assisting applicants and monitoring their activities. The contracting officer found that such a liaison would help the agency ensure that applicants were properly rested when they arrived at the MEPS for testing or shipping, avoid incidents of misconduct, and maintain on-going coordination between the hotel and the MEPS for the arrival and departure of applicants. In addition to finding that CMS proposed recreational activities and facilities within the facility that were specially designed for applicants' enjoyment, the contracting officer found that its security plan was in place and appeared to be functioning well, and that the layout of the hotel, presence of security cameras, and around-the-clock security guards indicated that security for applicants would be high and consistent. She concluded that selection of the firm ensured that the agency's "Red Carpet"² treatment of applicants would be maintained. While the firm's price was slightly higher than that of one of the offerors whose proposal was rated good, the contracting officer determined that CMS's higher quality, added benefits resulting

² The "Red Carpet" treatment refers to USMEPCOM Regulation 601-23, Chapter 14 (Nov. 1999), which outlines the command's policy to treat MEPS applicants professionally and courteously.

from the presence of a liaison and rooms set aside for the entertainment of applicants, sanitary nature of the kitchen and dining facility, and assurance of higher security for applicants, indicated a better value for the government. Id. at 4. She reviewed the evaluation results for the remaining proposals and, in each case, determined that the price premium for selecting CMS was worth its advantages. Id. at 4-5. CMS was selected for award and this protest followed.

HIL primarily argues that the RFP failed to advise potential offerors that the Army was looking for hotels with higher quality, nicer rooms, better meals, more amenities, and higher security than would normally be available. The protester asserts that if it had known that the Army was seeking higher quality, it could have offered its newly renovated wing and upgraded its meal service.

Our standard in reviewing evaluation challenges is to examine the record to determine whether the agency's judgment was reasonable and consistent with stated evaluation criteria and applicable statutes and regulations. ESCO, Inc., B-225565, Apr. 29, 1987, 87-1 CPD ¶ 450 at 7. HIL's complaint reflects a misunderstanding of the nature of a best value procurement.

As the contracting officer explains, in the past, MEPS contracts were awarded to the lowest-priced responsible bidder using sealed bidding procedures. The agency found that such a strategy was not always consistent with the government's interest in ensuring the safety of applicants and making a good impression. Contracting Officer's Statement at 1. For this reason, MEPS contracts are now awarded on a best value basis, consistent with the "Red Carpet" policy. The solicitation did not request the submission of low-priced, technically acceptable proposals but, instead, requested the submission of best value proposals and outlined areas where quality would be considered. As a result, HIL was on notice that proposing higher-quality facilities and additional amenities would likely result in a higher rating, and must itself suffer the consequences of failing to do so.

HIL's allegation that the agency evaluated proposals against unstated requirements for certain types of meals and multiple security cameras is similarly unfounded. First, the record shows that the agency was not concerned with the type of meals served by the hotel but with their quality; surveys submitted by prior applicants were not favorable. In any event, meals and security were two subfactors under the facility quality factor, and food quality and security levels are reasonably encompassed therein. JoaQuin Mfg. Corp., B-275185, Jan. 29, 1997, 97-1 CPD ¶ 48 at 2.

HIL next argues that its proposal was unreasonably evaluated because it was largely based on one 45-minute inspection and the deficiencies found were minor problems that were correctable. The protester does not dispute the accuracy of the inspection findings but asserts that, for example, the state of the kitchen was due to an in-progress clean-up after a large wedding reception.

Although HIL may be right about the correctable nature of some of the deficiencies, we think the agency reasonably viewed the inspected rooms and facilities as representative of those available in the hotel, and the defects noted clearly bear on the condition of the rooms and of the hotel overall. Hilton Knoxville, B-289478, Feb. 26, 2002, 2002 CPD ¶ 45 at 5. Further, HIL's contention that the state of the kitchen was due to a recent event is undermined by the contracting officer's statement that the overall cleanliness of the kitchen had been a concern for a while, which HIL does not dispute. To the extent HIL is arguing that the inspection was too hurried, it has made no showing as to how it was harmed by the duration of the inspection, and there is no basis to conclude it was treated unfairly since the inspections of all the offerors' facilities were conducted in a similar manner.

HIL finally argues that the competition was not a level playing field because CMS holds more than 40 percent of the MEPS contracts and has, therefore, gained insider knowledge concerning what the Army is seeking in these procurements. A particular offeror may possess unique advantages and capabilities due to its prior experience under a government contract or otherwise and the government is not required to attempt to equalize competition to compensate for it, unless there is evidence of preferential treatment or other improper action. Crofton Diving Corp., B-289271, Jan. 30, 2002, 2002 CPD ¶ 32 at 6. The existence of this advantage, by itself, does not constitute preferential treatment by the agency, nor does it otherwise represent an unfair competitive advantage.³ Id.

The protest is denied.

Anthony H. Gamboa
General Counsel

³ We have previously addressed assertions, such as those raised here by HIL, regarding the propriety of awarding MEPS contracts to CMS acting as a "middleman" for various hotels. Hilton Knoxville, supra, at 7-8. For the same reasons as discussed in that decision, there is nothing objectionable in the agency's conclusion that CMS's approach offers the best value to the government.