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Washington, DC 20548

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Decision

Matter of: Triad Logistics Services Corporation

File: B-296511.3

Date: October 20, 2005

Richard B. Oliver, Esq., McKenna Long & Aldridge LLP, for the protester.
William A. Roberts, III, Esq., and Richard B. O’Keeffe, Jr., Esq., Wiley Rein & Fielding LLP, for M1 Support Services, Inc., an intervenor.
Maj. Lawrence M. Anderson, and Pamela A. Dugger, Esq., Department of the Air Force, for the agency.
Peter D. Verchinski, Esq., and John M. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest challenging past performance evaluation is denied where record shows evaluation was reasonable and consistent with solicitation’s evaluation scheme.

DECISION

Triad Logistics Services Corporation protests the Department of the Air Force’s award of a contract to M1 Support Services, Inc. under request for proposals (RFP) No. FA4897-05-R-0010, for transient support services. Triad challenges the Air Force’s evaluation of the offerors’ past performance.

We deny the protest.

The RFP, which was set aside for small businesses owned by service-disabled veterans, contemplated the award of a fixed-price contract for a 10-month base period, with four 1-year option periods, to provide transient support services at Mountain Home Air Force Base, Idaho.¹ The solicitation stated that award would be made on a “best value” basis, considering price and past performance. Proposals

¹ Transient support services are various functions related to management and handling of transient aircraft, including arrival/processing/departure services, facilities maintenance, inspections, foreign object debris removal, and technical orders/publications/forms maintenance.

would be assigned a past performance rating of exceptional/high confidence, very good/significant confidence, satisfactory/some confidence, neutral/unknown confidence, marginal/little confidence, or unsatisfactory/no confidence. Past performance was significantly more important than price.

The agency received five proposals, including Triad's and M1's. Triad, a recently formed company, offered a price of \$1,116,686, and proposed to subcontract with [DELETED], while M1 offered a price of \$1,026,962, and proposed no subcontractors. After receiving notice that the contract had been awarded to M1, Triad challenged the evaluation in a protest filed in our Office. Thereafter, the agency proposed corrective action; it would reevaluate the proposals and make a new award decision. We therefore dismissed the protest as academic (B-296511, B-296511.2, June 30, 2005).

In the reevaluation, Triad's proposal received a past performance rating of very good/significant confidence. The agency noted that Triad, as a recently formed company, had submitted no past performance information for itself or for its president or chief executive officer. While this would result in a rating of neutral/unknown confidence, the agency also noted that [DELETED] had received four exceptional past performance ratings for contracts with the same requirements. Considering Triad's lack of past performance along with [DELETED] exceptional ratings, the agency decided that Triad warranted an overall past performance rating of very good/significant confidence. This reflected the agency's view that, notwithstanding [DELETED] exceptional ratings, there was some risk associated with having a prime contractor with no past performance of its own perform 51 percent of the contract work.² Agency Report (AR), Tab 11, Evaluation Team Worksheet, at 4.

The agency also rated M1's past performance very good/significant confidence. Of the four contracts M1 submitted to be evaluated for past performance, two were found to be partially relevant, and M1 received exceptional ratings for its performance under both. Rather than rating M1's past performance exceptional/high confidence overall, however, the agency rated M1 very good to reflect the fact that M1's past performance was only partially relevant. *Id.* at 5. Since M1's proposed price was low, the agency again determined that M1's proposal offered the best value.

Triad maintains that the agency improperly used its lack of relevant past performance to lower its overall past performance rating from exceptional to very good. Triad states that it was entitled to the exceptional rating due to its subcontractor's past performance, and that lowering its rating based on Triad's own lack of past performance was inconsistent with the statement in the solicitation that

² The solicitation restricted the awardee from subcontracting out more than 49 percent of the work.

an offeror's lack of past performance would have "no positive or negative evaluation significance." RFP at 17; see Federal Acquisition Regulation § 15.305(a)(2)(iv).

We will examine an agency's evaluation of offerors' past performance to ensure that it was reasonable and consistent with the solicitation's evaluation criteria and relevant statutes and regulations. Hanley Indus., Inc., B-295318, Feb. 2, 2005, 2005 CPD ¶ 20 at 4. A protester's mere disagreement with the agency's judgment is not sufficient to establish that the agency acted unreasonably. Birdwell Bros. Painting & Refinishing, B-285035, July 5, 2000, 2000 CPD ¶ 129 at 5.

The agency's evaluation of Triad's past performance was unobjectionable. As a general matter, there is nothing improper in an agency's giving weight to an offeror's own lack of relevant past performance--and the neutral weighting that goes with it--along with giving weight to, for example, a proposed subcontractor's past performance, when developing an overall rating for that offeror.³ See Joint Mgmt. & Tech. Servs., B-294229, B-294229.2, Sept. 22, 2004, 2004 CPD ¶ 208 at 6 (assigning a neutral rating to an offeror with no past performance was reasonable, despite fact that three of four team members had high past performance ratings, since the offeror was to be the managing concern for performance of the contract). Further, while a neutral past performance rating was to have "no positive or negative evaluation significance" under the terms of the RFP, this provision is not relevant here, since Triad's proposal received an overall rating of very good/significant confidence, not neutral. We do not read the solicitation as prohibiting the agency from factoring an offeror's own lack of past performance into its overall past performance rating, which the RFP specifically stated would encompass consideration of the past performance of predecessor companies, key personnel, and subcontractors, as well as the past performance of the offeror itself. RFP at 16.

Triad further argues that, even if averaging its own neutral rating with its subcontractor's exceptional rating were permissible, the averaging here was unreasonable, since four exceptional ratings and one neutral rating should have resulted in an exceptional, rather than a very good, rating. This argument is without merit. Since Triad was to perform over 50 percent of the work, it was reasonable for the agency to give significant weight to Triad's lack of experience in determining the appropriate overall past performance rating for the firm. In any case, we view this

³ The protester also asserts that the agency's reduction of [DELETED] exceptional ratings to reflect Triad's lack of its own past performance had the effect of failing to give Triad full credit for its subcontractor's past performance, in violation of an RFP provision stating that major subcontractors' past performance "will be rated as highly as past performance information for the principal offeror." RFP at 16. However, we find no basis for concluding that Triad's overall very good/significant confidence rating reflects other than a reasonable weighting of Triad's own neutral rating and [DELETED] exceptional ratings.

argument as, essentially, mere disagreement with the agency's judgment, which is insufficient to establish that the agency acted unreasonably. See Birdwell Bros. Painting & Refinishing, *supra*.

Triad also argues that the agency's assigning M1 a very good/significant confidence past performance rating was unreasonable. Triad challenges the agency's reliance on the two M1 contracts that received exceptional past performance ratings. Regarding the first of these contracts--a subcontract for helicopter services at Kirtland Air Force Base--Triad maintains that the agency improperly failed to consider that M1 had been performing for only 1 year, was performing only a relatively small percentage (9 percent) of the overall contract, and that the reference was provided by M1's mentor firm. The agency reasonably considered the contract to be relevant. The RFP did not require offerors to have performed a certain percentage of the work under a prior contract, or to have performed for a minimum amount of time in order for the contract to be considered relevant past performance. Also, Triad points to nothing on the face of the referral that called its credibility into question, notwithstanding M1's relationship with the reference.

Triad challenges the agency's reliance on the second contract--a subcontract for C-21A aircraft logistics support--based on the fact that the contract was only in a "phase-in" period at the time of the evaluation. Triad alleges that reliance on this contract was inconsistent with the RFP statement that "relevant" contracts are those requiring the same complexity of effort as the contract to be awarded. RFP at 15. Again, we find that the agency's reliance on this contract was reasonable. Since the contract was for services that closely aligned with the services sought under the RFP, we think the agency reasonably could assume that the work performed during the phase-in period would be similarly aligned and therefore involve similar complexities. In this respect, M1's proposal explained that the contract included aircraft maintenance, aircraft launch and recovery, logistics support, inspections, and various other tasks that were similar to the requirements under the RFP here. AR, Tab 12, M1 Proposal, Past Performance, at 3. The proposal further explained that the contracting officer and program manager have been highly satisfied with M1's technical capability to phase-in its portion of the contract. *Id.* Triad maintains that the contracting officer was unaware that this contract was only in its phase-in period at the time of her evaluation. The contracting officer states, however, that she was fully aware that the contract was only in its phase-in period--she points out that the evaluator's notes, as well as the proposal itself, clearly stated that the contract was in its phase-in period--and that she took this into consideration in her evaluation. Contracting Officer's Supplement Statement of Facts, at 1-2. Triad has not established otherwise.

The protest is denied.

Anthony H. Gamboa
General Counsel

