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**Comptroller General  
of the United States**

**United States Government Accountability Office  
Washington, DC 20548**

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## **Decision**

**Matter of:** Savantage Financial Services, Incorporated

**File:** B-400109.2

**Date:** July 28, 2008

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Katherine S. Nucci, Esq., and Timothy Sullivan, Esq., Thompson Coburn LLP, and Jon W. van Horne, Esq., VHT Law PLLC, for the protester.

Paul F. Khoury, Esq., Nicole P. Wishart, Esq., and John R. Prairie, Esq., Wiley Rein LLP, for The MIL Corporation, an intervenor.

Lauren Kalish, Esq., and Mark Langstein, Esq., Department of Commerce, for the agency.

Paul E. Jordan, Esq., and John M. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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### **DIGEST**

Evaluation of protester's technical proposal was unobjectionable where agency reasonably found weaknesses associated with sufficiency of information regarding firm's proposal of project management tool and project manager; risk connected to extensive hiring process; and lack of experience with customized help desk software.

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### **DECISION**

Savantage Financial Services, Incorporated protests the issuance of a task order to The MIL Corporation under request for proposals (RFP) No. SB1341-08-RP-0009, issued by the Department of Commerce, National Institute of Standards and Technology (NIST), for support services for NIST's Business Systems Division (BSD). The competition was limited to vendors holding General Services Administration (GSA) Federal Supply Schedule (FSS) contracts. Savantage asserts that the agency improperly evaluated its technical and cost proposals.

We deny the protest.

The RFP sought functional and technical support services for the BSD with the principal goal of supporting the agency's commerce business system. Proposals were to include a description of the vendor's technical approach, including its FSS labor categories and estimated hours. The RFP contemplated issuance of a

labor-hour type task order under the successful vendor's FSS contract for a 1-year base period, with 4 option years.

Proposals were to be evaluated for "best value" on the basis of six factors (with relevant subfactors)--(A) technical approach; (B) management plan (quality control plan, project management plan, and staff recruitment/retention plan); (C) key personnel (resumes of project manager, testing lead, and development lead); (D) experience; (E) past performance; and evaluated cost. Factor A was most important and was slightly more important than factors B and C, which were approximately equal to one another. Factors B and C, individually, were more important than factors D and E, which were approximately equal in importance. The non-cost factors were rated on an adjectival basis (exceptional, acceptable, marginal, unacceptable, and, for past performance only, neutral). Evaluated cost was approximately equal in importance to the non-cost factors combined and was not scored. Instead, the agency would determine whether proposed costs were consistent with the cost proposal instructions and, if necessary would ensure that the costs reflected 1,920 hours multiplied by the proposed fully burdened hourly rate for each NIST functional title. Hourly rates that exceeded applicable FSS rates were to be adjusted downward and rates that did not reflect an appropriate escalation rate were also to be adjusted.

Four vendors, including Savantage and MIL, submitted proposals, which were evaluated by a proposal evaluation board (PEB) (without conducting discussions). The PEB reached the following consensus technical ratings for Savantage and MIL:

	Savantage	MIL
<b>Factor A: Technical Approach</b>	<b>Acceptable</b>	<b>Exceptional</b>
<b>Factor B: Management Plan</b>	<b>Acceptable</b>	<b>Exceptional</b>
Quality Control Plan	<b>Acceptable</b>	<b>Acceptable</b>
Project Management Plan	<b>Acceptable</b>	<b>Exceptional</b>
Staff Recruitment/Retention Plan	<b>Acceptable</b>	<b>Exceptional</b>
<b>Factor C: Key Personnel</b>	<b>Exceptional</b>	<b>Exceptional</b>
Project Manager	<b>Exceptional</b>	<b>Exceptional</b>
Testing Lead	<b>Exceptional</b>	<b>Exceptional</b>
Development Lead	<b>Exceptional</b>	<b>Acceptable</b>
<b>Factor D: Experience</b>	<b>Acceptable</b>	<b>Acceptable</b>
<b>Factor E: Past Performance</b>	<b>Exceptional</b>	<b>Exceptional</b>
<b>Proposed Cost</b>	<b>\$14,678,304</b>	<b>\$15,582,336</b>
<b>Evaluated (Probable) Cost</b>	<b>\$15,022,283.68</b>	<b>\$15,582,336</b>

The agency made no adjustments to MIL's proposed cost but adjusted Savantage's upward based on its proposed deep labor rate discounts and low escalation factor. Based on an independent assessment of each proposal and the PEB's findings and recommendations, the contracting officer, as source selection authority (SSA), determined that MIL's proposal's higher technical rating and second lowest evaluated cost made it the best value. The SSA found that MIL's proposal offered significant benefits to the agency under factors A and B that outweighed Savantage's

evaluated cost advantage, and issued MIL a task order under its FSS contract (No. GS-35F-4670G). After receiving a debriefing, Savantage filed this protest.<sup>1</sup>

## TECHNICAL EVALUATION

### Technical Approach

Under the technical approach factor, proposals were to be evaluated on the soundness and feasibility of the vendor's proposed technical approach and on how it intended to satisfy the technical requirements in the performance work statement and performance requirements summary. RFP § M.2. In evaluating Savantage's proposal as acceptable under this factor, the PEB assessed several strengths and no weaknesses. Agency Report (AR), Tab 10, at 3.

Savantage asserts that its proposal should have been rated exceptional under this factor because it developed, and has "the greatest in-depth knowledge of and experience with, the software application system" used by NIST, the support of which is the purpose of the services being procured here. Protest at 12.

In reviewing an agency's technical evaluation, we will not reevaluate proposals, but will examine the record to ensure that it was reasonable and in accordance with the stated evaluation criteria and applicable procurement statutes and regulations. Harris Corp., B-299864 et al., Sept. 14, 2007, 2007 CPD ¶ 180 at 5.

The evaluation in this area was reasonable. Under the agency's source selection evaluation standards, in order to receive an exceptional rating, a proposal had to exceed the RFP requirements and demonstrate a thorough understanding of the goals and objectives of the acquisition with one or more significant strengths and no significant weaknesses. AR, Tab 4, at 11. An acceptable rating was represented by a good level of understanding of the goals and objectives, with strengths outweighing any weaknesses. Id. In its evaluation, the PEB specifically recognized as strengths Savantage's knowledge of and experience with the agency's core financial system and the fact that the firm had provided the original baseline code. AR, Tab 10, at 3. However, the agency also considered the fact that this development work was done more than 10 years ago and that, since then, the code has been heavily modified by the agency, resulting in a code very different from the original. PEB Chairman Statement ¶ 4. Although the PEB did not identify any weaknesses, and assigned the proposal other strengths, none was considered significant; all individual evaluators rated the firm's proposal as acceptable under this factor. Id. ¶ 5. In the absence of

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<sup>1</sup> Savantage challenges the agency's award on numerous bases. We have considered all of Savantage's arguments and find that they have no merit, or that the alleged impropriety did not prejudice the protester. This decision addresses Savantage's most significant arguments.

any significant strengths assigned by the PEB, the evaluation did not meet the definition of exceptional, and closely met the definition of acceptable. In view of the age of Savantage's experience and the subsequent changes to the relevant code, we think the PEB could reasonably conclude that the firm's proposal warranted only an acceptable rating under this factor.

### Project Management Tool

Under the management plan factor, proposals were to be evaluated under three subfactors--quality control plan, project management plan, and staff recruitment and retention plan. Overall, the government was to evaluate the likelihood that a vendor's proposed plan to manage important aspects of the acquisition would result in efficient and effective contract management that would ensure the agency's requirements were met. RFP § M.2. In evaluating Savantage's proposal as acceptable under the quality control and project management subfactors, the PEB assessed weaknesses based on Savantage's proposed use of its InControl PM (project management) tool.<sup>2</sup> Specifically, the PEB was concerned as to whether NIST would be required to use the tool in lieu of its existing practices, such as use of MS (Microsoft) Project; whether NIST would have to integrate its current project plan methodology into InControl; and who would have access to view updates. PEB Chairman Statement ¶¶ 6, 8. The PEB concluded that there were potential difficulties in NIST's accessing the tool to track project status, and that reliance on the tool may increase the risk of communication breakdowns between NIST and the contractor, since the tool was not used at NIST. AR, Tab 10, at 3.

Savantage asserts that these weaknesses and the concerns underlying them are not valid, claiming that its proposal made clear that the InControl tool was for use by its project manager, not by NIST; that its use was optional; that it specifically proposed to use MS Project; and that access to all project performance information would be provided through its project management web site. Protest at 13; Initial Comments at 13; Final Comments at 2-3.

The evaluation was unobjectionable. Under the relevant subfactors, the RFP provided for evaluation of how the vendor intended to provide effective quality control and relevant performance measures, and how it would perform project management via its proposed manager, including supervision, issue resolution, schedule management, resource management, and budget management. RFP § M.2. A vendor's proposed project management tools and the agency's access to the information produced by them are relevant to these subfactors. Savantage's proposal recognized that NIST had many of its own tools and procedures in place, and stated Savantage's plan to utilize them, but it also made clear that Savantage

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<sup>2</sup> As described in its proposal, the InControl toolkit includes [deleted]. Proposal at 65.

planned to use [deleted]. Proposal at 76. Savantage’s proposal did also include use of MS Project—the management tool in use at NIST (PEB Chairman Supplemental Statement ¶ 2)—but it was proposed in conjunction with Savantage’s own time reporting and accounting system, and InControl templates.<sup>3</sup> Proposal at 76-77. The PEB determined that Savantage’s proposal to supplement InControl with NIST procedures did not alleviate its concerns regarding reliance on InControl. PEB Chairman Supplemental Statement ¶ 7. Further, while the proposal stated that clients would have immediate access to “all project information” through the management portal, would be given a “full view” of the project dashboard, and would have full admittance to the project management web site, the proposal did not explain whether it was offering read-only access or full participation rights. PEB Chairman Supplemental Statement ¶ 9. Likewise, although the proposal stated that Savantage would provide project management information through “frequent meetings and monthly reports,” the agency determined that such meetings and reports would not provide real-time information. Supplemental AR at 5. We conclude that, despite Savantage’s proposal to use existing tools, its repeated references to, and reliance on, the InControl toolkit for project management (Proposal at 64-65, 75-77), and the lack of clarity regarding who would have access to the information, the PEB reasonably found the proposal weak regarding potential access issues and the risk of communication breakdown.

### Project Manager

The PEB assessed a significant weakness under the project management subfactor of the management plan factor based on a concern with whether the proposed project manager would be at the NIST site full time and would be fully devoted to the NIST project. AR, Tab 10, at 4. The weakness was based on proposal references to the manager’s availability for issue resolution by [deleted] and her current responsibility for other projects.

Savantage asserts that the assessed weakness was based on an unreasonable reading of its proposal and was unwarranted. Specifically, Savantage explains, it proposed the manager as a full-time employee at the required 1,920 hours per year, Initial Comments at 4, and clearly provided that she would be “accessible to NIST [deleted]” Proposal at 73. Savantage states that the reference to the manager’s availability referred only to issue resolution. *Id.* at 76. With regard to the reference to other current projects, Savantage maintains that those references simply reflected

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<sup>3</sup> Contrary to Savantage’s assertion (Final Comments at 3), the evaluators did not “completely miss” its inclusion of MS Project as one of its tools. One of the evaluators identified, as strengths, the firm’s use of MS Project and [deleted]. AR, Tab 8. While these strengths were not included in the consensus evaluation, their presence in the individual worksheets demonstrates that the PEB was aware of this aspect of Savantage’s proposal.

what the manager was doing up to the present time; it could not reasonably be interpreted as an indication that the manager was proposed for less than full dedication to the task order if issued to Savantage. Initial Comments at 7.

The evaluation in this area was reasonable. The RFP required that all work be done on site at NIST. RFP at 14. Savantage's proposal stated that the manager would be accessible at all times but, with regard to issue resolution, referred only to [deleted] access; it did not state, for example, that issue resolution could be initiated via face-to-face contact. Likewise, even though the manager was proposed on a full-time basis, Savantage points to no affirmative statement in its proposal that she would be on site full time. In addition, the proposed manager's resume reasonably could be read to imply less than full-time dedication to the solicited work. In this regard, under a heading entitled "Savantage Solutions 7/1997--Present," the resume details various positions the proposed manager, as [deleted], has held in the past, all of which were discussed in the past tense. Proposal at 92. In contrast, the resume speaks in the present tense regarding the manager's current work as "project manager for [deleted] accounts," and as "Program Manager for [deleted] project." Id. We note that the resume indicates that the proposed manager is capable of and is currently managing multiple accounts, with multiple responsibilities, and has "managed [deleted]" in the past. Id. Based on the resume information and the limited identified methods of contacting the manager for issue resolution, we find the PEB reasonably inferred that she may not be on site full time or fully devoted to the NIST project. The PEB therefore reasonably assessed this as a significant weakness under the project management subfactor.<sup>4</sup>

#### Staff Recruitment

The PEB found multiple strengths in Savantage's proposal under the staff recruitment and retention subfactor, but assessed a weakness for the firm's extensive hiring process. Specifically, the PEB found that the process could potentially have an adverse impact on filling NIST positions in a timely manner. AR, Tab 10, at 4.

Savantage asserts that this weakness was unwarranted. In its view, its proposal provided all required information and represented a typical hiring process. Protest at 15-16; Proposal at 85-86. It further notes that, in accordance with the RFP, its

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<sup>4</sup> Savantage also challenges the agency's assessing a weakness under the key personnel factor due to the project manager's apparent lack of full dedication to the NIST project. Protest at 16. In a related argument, Savantage asserts that the PEB improperly found weaknesses for its testing and development lead personnel. Id. at 17. Since Savantage's proposal was rated exceptional for each of its key personnel and exceptional overall for this factor, it is clear that any error had no prejudicial impact on the evaluation.

proposal specifically promised to provide resumes within 10 days of vacancy of a position. Proposal at 10.

The evaluation here was reasonable. Under this subfactor, proposals were to be evaluated on the basis of a vendor's capability to obtain suitable resources to effectively perform the required work, including the breadth of the pool of resources, recruiting strategies and techniques, ability to screen candidates to match qualifications, experience, visa requirements, and availability to perform. RFP § M.2. Savantage's proposed process included [deleted]. Proposal at 85. Once this was done, Savantage would [deleted]. Id. If the [deleted] were unsuccessful, it would begin a [deleted]. Id. Once a satisfactory candidate was found, the project manager would [deleted]. Id. at 86. Once accepted by the project manager and the agency, the candidate would be [deleted]. Id. Apart from the simple promise to provide resumes within 10 days of a vacated position, the proposal provides no time frames for what, on its face, we think reasonably can be viewed as an extensive hiring process. Although the RFP did not specify mandatory time frames for filling vacant positions, the staff recruitment subfactor was sufficiently comprehensive to encompass this consideration. We conclude that the PEB reasonably determined that the proposed hiring process could adversely impact the timely filling of NIST positions, and thus properly termed it a weakness under this subfactor.<sup>5</sup>

#### Experience with Remedy Help Desk

In evaluating Savantage's proposal as acceptable under the experience factor, the PEB found a number of strengths, including the firm's provision of the original base line code for the agency's current financial system. AR, Tab 10, at 5. However, it assessed a weakness based on Savantage's lack of demonstrated experience with the Remedy Help Desk application currently in place at NIST and the risk associated with the vendor's learning curve. Id. The protester asserts that this weakness is not valid because its proposal in fact demonstrated its experience with Remedy Help Desk.<sup>6</sup> Protest at 18.

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<sup>5</sup> Savantage asserts that this weakness originated with an individual evaluator who found that the vendor's "outside" hiring seemed extensive. Final Comments at 7. Savantage maintains that, in light of its large pool of internal resources, outside hiring will be rare and thus did not warrant downgrading its proposal. Id. This argument is without merit. The hiring process appears to have been extensive, not only for outside hires, but for internal hires as well (the consensus evaluation did not draw a distinction between internal and external hiring in identifying this concern. AR, Tab 10, at 4). Internal hiring called for input from [deleted], with no timeframes identified for this hiring process.

<sup>6</sup> Savantage also argues that, based on its experience in developing the agency's financial management system, its proposal should have been evaluated as exceptional under this factor. Protest at 19. This assertion is without merit. The

(continued...)

The evaluation in this area was unobjectionable. The Remedy application is used at NIST to track such things as the names of help desk users, the issues addressed, and the number of calls received and resolved. PEB Chairman Statement ¶ 14. The agency acknowledges that Savantage's proposal described its experience with this application, but explains that the weakness was based on the firm's lack of relevant experience with the customized version of the application in place at NIST. PEB Chairman Supplemental Statement ¶ 17. The agency also explains that, while the proposal contained information on experience with the uncustomized version, one of the evaluators was concerned that the proposed key personnel lacked demonstrated experience with the application.

Savantage does not maintain that it in fact possesses experience with NIST's customized application; rather, it asserts that requiring this experience is restrictive of competition, since only an incumbent contractor could possess it. Likewise, Savantage does not argue that its key personnel had experience with the application; rather, it asserts that its key personnel would not be using this software tool, and thus did not need this experience, and that its help desk lead—who would use it—had demonstrated experience. Final Comments at 8-9.

Savantage's assertions are without merit. There is nothing unreasonable—or unduly restrictive of competition—in an agency's evaluation taking into account a vendor's experience, or lack of experience, with the version of an application actually in use at the agency. Similarly, although Savantage's key personnel were not directly responsible for the help desk work, the evaluators could reasonably view their lack of experience with this application as a weakness to the extent that their positions involved the help desk function. Thus, for example, the agency reasonably could consider the project manager's experience with the application, since she would be responsible for overall supervision of contract operations (including the help desk), reviewing and monitoring technical work for quality and efficiency, and proactively identifying issues or problems. RFP § J.1, attach. 1. We conclude that there is no basis for questioning this aspect of the evaluation.

## COST EVALUATION

As discussed, under the RFP, vendors were to base their cost proposals on their and any partner's current FSS contract labor categories. Contracting Officer's Statement

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(...continued)

PEB recognized as a strength Savantage's experience with the development of the financial management system. AR, Tab 10, at 5. However, as discussed above, in view of the changes made to the software over the past 10 years, the evaluators could reasonably conclude that a strength associated with this experience did not warrant an overall exceptional rating.



¶ 6. Vendors were encouraged to propose reductions in their ceiling rates, but the RFP specifically provided that, in evaluating cost, the agency would adjust any rates that did not reflect an appropriate escalation rate. *Id.* ¶¶ 6, 16; RFP § M.2. In its evaluation, the agency noted that Savantage had proposed significant discounts, ranging from [deleted] to [deleted] percent for the entire period of performance. The evaluators found that these deep discounts, coupled with Savantage's proposal to reduce its escalation rate from [deleted] percent to [deleted] percent, called into question the firm's ability to maintain a skilled workforce and complete the work requirement at the proposed rates over the entire contract period, thus posing a risk to the government. Contracting Officer's Statement ¶¶ 44, 47, 56. As a result, for evaluation purposes, the agency increased Savantage's [deleted] percent escalation rate for each option period by [deleted] percent, to match the past inflation rate of [deleted] percent. *Id.* ¶ 47.

Savantage challenges the upward adjustment of its proposed escalation factor for its proposed labor rates, asserting that a proper analysis would have confirmed the validity of its proposed rates, which were based on its experience under contracts with similar skill sets.

The evaluation and upward adjustment of the escalation factor appear to have been consistent with the RFP. However, we need not determine whether the adjustment was reasonable. In this regard, the SSA, in his source selection decision, specifically determined that, even if no adjustments for cost realism purposes had been made--which would have resulted in a 6.2 percent cost advantage for Savantage as compared to the evaluated 3.7 percent difference--he still would have decided that MIL's proposal represented the best value. In this regard, the SSA found that MIL's proposal offered significant benefits to the government under the first two evaluation factors, specifically finding that MIL offered a better technical approach and methodology, superior transition plan, and superior staff recruitment and retention plan than that offered by any other proposal. AR, Tab 12, at 4. Since we have found no error in the agency's evaluation under the technical factors, and the SSA has determined that Savantage would not be in line for award even without the upward cost adjustment, there is no possibility of prejudice from any error in the agency's evaluation in this area. We will not sustain a protest absent a reasonable possibility that the protester was prejudiced by the agency's actions. McDonald-Bradley, B-270126, Feb. 8, 1996, 96-1 CPD ¶ 54 at 3; see Statistica, Inc. v. Christopher, 102 F.3d 1577, 1581 (Fed. Cir. 1996).

The protest is denied.

Gary L. Kepplinger  
General Counsel