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Comptroller General
of the United States

United States Government Accountability Office
Washington, DC 20548

Decision

Matter of: Boersma Travel Services

File: B-297986.2

Date: November 17, 2006

James E. Kimble for the protester.

Christopher S. Tiroff, Esq., Department of Veterans Affairs, 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.

DIGEST

Protest challenging evaluation of protester's proposal is denied where record shows that evaluation, and resulting conclusion that awardee's proposal represented "best value," were reasonable; although agency erroneously downgraded protester's proposal in two areas, these errors were not prejudicial, since record shows they were not sufficiently significant to affect award decision.

DECISION

Boersma Travel Services (BTS) protests the award of a contract to Duluth Travel, Inc. under request for proposals (RFP) No. VA-200-06-RP-0001, issued by the Department of Veterans Affairs (VA) for commercial travel services. BTS challenges the evaluation.

We deny the protest.

The RFP, issued as a service-disabled-veteran-owned small business (SDVOSB) set-aside, contemplated the award of a fixed-price, indefinite-delivery, indefinite-quantity contract for a 6-month base period with 3 option years. This travel management center (TMC) contract, which will provide nationwide travel services for VA employees and veterans, was intended to consolidate VA's current TMC requirements, which were being met under the General Services Administration's (GSA) eTravel (eTS) initiative and other contracts. The RFP identified three alternative scenarios for contract performance, with the chosen alternative to be identified at the time of contract award. Alternative A involved TMC services without use of the current eTS. Alternative B involved the TMC doing all VA fulfillment and partial booking, with VA utilizing the current eTS for booking.

Alternative C involved use of the selected firm’s electronic booking system until eTS was fully implemented. Each scenario included its own estimated volumes.¹

Proposals were to be evaluated on the basis of four factors, listed in descending order of importance--technical/management, price, past performance, and use of SDVOSBs. The technical/management factor included four equally weighted subfactors--technical approach, ability to provide alternative A, ability to provide alternative B, and interface with the eTS vendor. Price was to be evaluated for completeness, realism, and reasonableness based on the totals for each individual alternative and the total for all alternatives. Past performance was to be evaluated as a measure of the government’s confidence in an offeror’s ability to successfully perform the contract, and the SDVOSB factor was evaluated on the basis of the amount of work to be performed by SDVOSBs. The non-price factors were significantly more important than price. Award was to be made on a “best value” basis.

Three offerors, including BTS and Duluth, submitted proposals, which were evaluated by a technical evaluation team.² In addition, each offeror made an on-site oral presentation. The period of performance was adjusted, and offerors were given the opportunity to provide revised pricing. The final consensus evaluation ratings for BTS and Duluth (the only proposals relevant here) were as follows:

	BTS	Duluth
Technical/Management	Yellow	Green
Technical Approach	Green	Green
Alternative A	Yellow	Green
Alternative B	Yellow	Green
Interface	Yellow	Green
Past Performance	Moderate	Low
Use of SDVOSBs	Green	Green
Evaluated Price ³	\$2,669,798	\$2,989,143

In making his award determination, the contracting officer concluded that the technical superiority of Duluth’s proposal made it the best value despite its higher

¹ For example, the estimated volume of transactions under the scenario selected for award--alternative B--exceeded 113,000 in the first option year.

² The technical/management and SDVOSB factors were rated on a color coded/adjectival basis--blue/exceptional, green/acceptable, yellow/marginal, and red/unacceptable. Past performance was rated as high, moderate, or low risk.

³ These figures represent the contract value--in terms of total transaction fees--under alternative B.

price. After receiving a debriefing, BTS filed this protest. BTS asserts that the agency unreasonably downgraded its proposal in several areas.

In reviewing a protest of an agency's proposal evaluation, our review is confined to determining whether the evaluation was reasonable and consistent with the terms of the solicitation and applicable statutes and regulations. United Def. LP, B-286925.3 et al., Apr. 9, 2001, 2001 CPD ¶ 75 at 10-11. The award here is supported by the record.⁴

MULTIPLE SUBCONTRACTORS

Under the alternative A and B subfactors, the evaluators found a weakness in BTS's proposal to use multiple subcontractors to accomplish the work; the evaluators were concerned that BTS would use different subcontractors, each with its own toll-free telephone number, to service VA's various field offices on a regional basis. This was viewed as problematic because, in the past, having multiple TMCs handle different VA regions had resulted in significant administrative expense and customer dissatisfaction. Supplemental Agency Report at 6. VA concluded that this approach was a major weakness because it could result in confusion as to which entity to call, varying levels of service depending upon the ability of the different subcontractors to handle the workload, and difficulty in tracking down issues and troubleshooting problems.

BTS asserts that the problems identified by the agency would not occur under BTS's approach since, unlike VA's problematic contracts, under which the multiple TMCs were in competition with one another, its subcontractors would all work for BTS. While each subcontractor would have a different contact number, BTS proposed to provide a single toll-free number, at BTS's headquarters, to be used by all VA employees; BTS's telephone system then would redirect calls to the subcontractors as appropriate. BTS further notes that bridging software it proposed to use would allow all BTS and subcontractor offices to have access to VA travel information, regardless of where the travel was booked, making troubleshooting a simple matter.

The evaluation in this area was reasonable. Whether or not the centralized approach as described above was intended by BTS, this was not clear from its proposal. In this regard, while one proposal page refers to a single toll-free number and another refers to BTS's intent to "strategically direct" other VA offices to its subcontractors, elsewhere the proposal refers to "call centers" and its subcontractors' office locations. BTS Proposal at 4, 9. Further, one of BTS's oral presentation slides, depicting a map of the U.S., identifies different call centers and, at the presentation,

⁴ BTS challenges the agency's award on numerous bases. We have considered all of its arguments and find that they have no merit or did not prejudice the protester. This decision addresses BTS's most significant arguments.

BTS provided an example that all Georgia VA offices would be serviced by BTS's Georgia subcontractor, which had a separate toll-free contact number. BTS Slide No. 8; Supplemental Agency Report at 5. Given these references, and the absence of a clear explanation of the manner in which BTS's system would operate, we think the agency reasonably could be concerned that BTS's proposed approach was decentralized, at least to some degree and in some respects, and could lead to the same problems experienced in the past. We conclude that the agency reasonably assessed this weakness under the alternative A and B subfactors.

AUTO-TICKETING AND QUALITY CONTROL SOFTWARE

BTS's proposal stated that it intended to purchase and implement auto-ticketing and quality control software during the first year of performance and that, because this software would enable the firm to process the majority of self-service transactions "touch-less," it was expected to save time and money, reduce errors, increase accuracy, and improve customer service. BTS Proposal at 5, 16. BTS's price assumptions also were based on use of these software programs. The evaluators assessed a weakness under each subfactor based on their concerns relating to BTS's proposal to acquire and use this software because, in their view, not having the software at the time of contract award raised the possibility that BTS would be unable to obtain it, become trained on it, and then train VA personnel in a timely manner. In addition, the agency was concerned that, until the software was implemented, VA's services would be at risk for increased costs, errors, and inaccuracies.

BTS asserts that the evaluation conclusions are unreasonable because the RFP did not require the software for performance of the contract, and BTS proposed sufficient personnel to handle performance without it.

The evaluation in this area was reasonable. Since BTS proposed use of the software and relied on its implementation for improved and lower-cost performance, it was reasonable for the evaluators to consider the risks involved in use of the software. Whether or not BTS proposed sufficient personnel to operate without the software, the fact remains that its proposal and price assumptions were based on use of the software. We conclude that the evaluators reasonably assigned the proposal a weakness under each subfactor.

PAST PERFORMANCE

The RFP required offerors to submit past performance information, including the dollar value of each referenced contract. BTS's past performance references indicated that it had provided travel services—including air, rental car, and hotel reservations—under seven contracts. In order to better assess the offerors' capability to handle VA's large volume of transactions, the evaluators wanted to consider the size of offerors' past contracts on the basis of transactions. Because BTS's contract values did not indicate the number of ticket transactions, the evaluators asked BTS

at the oral presentation how to determine those figures. BTS advised the agency that dividing the contract volume by \$400 would result in the ticket volume figures. However, because the dollar volumes in the contract ostensibly included all travel services, and not just ticketing, the evaluators were unsure of the accuracy of this calculation, despite repeated inquiries at the oral presentation.

BTS asserts that it is the accepted commercial standard to consider contract size in terms of ticket sales alone, and that it thus should have been clear that its listed contract volumes included only those transactions, which, in response to VA's inquiries, it accurately valued at \$400 each. BTS concludes that its past performance proposal provided sufficient information to warrant a more favorable evaluation than the moderate risk rating it received.

The evaluation in this area was reasonable. Whether or not ticket sales volume is the accepted commercial standard for measuring contract volume, BTS's proposal did not make clear that its prior contract values were stated in terms of ticket volume alone, and it thus was reasonable for the agency to question BTS in this regard. Thus, while BTS believes the contract values were clear on their face, as a result of BTS's ultimate failure to unequivocally establish the nature of those contract values, the evaluators had no means of accurately determining the magnitude of work under BTS's prior contracts for purposes of comparing them to the current requirement. Moreover, even accepting BTS's claim that the contract values represented ticket volume alone, and that dividing those amounts by \$400 yields the number of ticket transactions, the agency observes that the anticipated volume of transactions under the current requirement is dramatically greater than the work under other BTS contracts, which leads to a legitimate concern as to BTS's capacity. For example, VA's anticipated 113,610 total annual transactions are more than three times the size of BTS's largest prior contract. Thus, apart from whether BTS adequately responded to the agency's concerns, in view of the significantly higher volumes under the contract here as compared to BTS's prior contracts, it was reasonable to rate BTS's proposal as moderate risk under the past performance factor.

PRICE EVALUATION

BTS asserts that the agency failed to consider the proposals' bottom line prices, failed to rate the prices, and unreasonably found BTS's proposed price inadequate. These arguments are without merit. First, the record reflects that the agency did in fact evaluate both offerors' bottom line prices. Proposal Analysis Report at 10-11. Second, the RFP provided for evaluation on the basis of completeness, realism, and reasonableness, and the agency found that BTS's pricing satisfied all of these attributes; there was no rating scheme for proposed price. Finally, while the

evaluators had limited concerns that the firm's pricing appeared low, they ultimately concluded that its pricing showed a clear understanding of the requirements.⁵

EVALUATION ERRORS

The agency concedes that it incorrectly assessed BTS's proposal a weakness under the interface subfactor—concerning BTS's capability to provide a working eTS interface—and that BTS's proposal therefore should have been rated green under that subfactor. In addition, based on our review, a weakness regarding BTS's capability to handle VA's volume of work under alternatives A and B is unsupported by the record. Specifically, the protester has pointed to aspects of its proposal that appear to adequately address this area, and its oral presentation included staffing charts that the agency apparently did not consider. However, since BTS's yellow/marginal ratings under the alternative A and B subfactors were based on three weaknesses each, there is no basis on this record to believe that eliminating one weakness under each would affect the two yellow/marginal subfactor ratings and BTS's overall yellow/marginal rating under the technical factor. Thus, we conclude that the agency's errors in these areas do not appear significant, and that BTS was not prejudiced by them. Our Office will not sustain a protest unless the protester demonstrates a reasonable possibility that it was prejudiced by the agency's actions, that is, unless the protester demonstrates that, but for the agency's actions, it would have had a substantial chance of receiving the award. 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

⁵ We note that, to the extent BTS asserts that it should have received the award based on its lower price, its argument is without merit. Under the terms of the RFP, non-price factors were significantly more important than price. In view of BTS's yellow technical rating and moderate past performance risk rating, the contracting officer reasonably could conclude that Duluth's technical superiority outweighed its higher price.