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Decision

Matter of: PDI Ground Support Systems, Inc.

File: B-299007; B-299007.2

Date: January 18, 2007

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Timothy Lasko, Esq., Department of the Navy, for the agency.

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DIGEST

Protest that the agency unreasonably evaluated the awardee's proposal submitted in response to a solicitation for the upgrade of munitions trailers is denied where the record shows that the agency reasonably recognized that the protester's proposal lacked some detail in certain areas and rated it accordingly, and the protester's contentions that the awardee's proposal should have been rejected by the agency as unacceptable for this lack of detail represents the protester's misunderstanding of the solicitation's requirements.

DECISION

PDI Ground Support Systems, Inc. protests the award of a contract to DeVal Corporation under request for proposals (RFP) No. N68335-06-R-0063, issued by the Department of the Navy, for the upgrade of munitions trailers.¹ PDI argues that the agency's evaluation and selection of DeVal's proposal for award were unreasonable.

We deny the protest.

The RFP, issued as a total set-aside for small businesses, provided for the award of a fixed-price contract for a base period of 1 year with three option periods. The solicitation explained that the munitions trailers to be upgraded were "designed with

¹ The munitions trailers are used at "Navy intermediate maintenance activities to transport munitions from the munitions magazine to flight line." RFP at 2.

40-year-old technology,” that they are “costly to maintain,” and that “parts obsolescence is occurring.” RFP, Statement of Work (SOW), at 2. The RFP stated that the objective of the contract to be awarded is to “improve the [trailer’s] existing running gear and electrical system to current commercial technology and reduce maintenance requirements.” Id. The RFP added that “[a]ll materials and components utilized shall be commercial-off-the shelf . . . or non-developmental items,” and in outlining certain of the improvements to be made, noted that the “[i]mprovements shall require as few modifications as possible to the existing trailer.” Id. at 3. The RFP stated that during the base year the contractor will be required to furnish 1 “Preproduction or First Article Unit” and 75 production units. RFP at 3.

The RFP provided that award would be made to the offeror submitting the proposal representing the best value to the government, considering the following evaluation factors and subfactors:

1. Technical
 - A. Technical Approach
 - Manufacturing/Assembly
 - Production Evaluation, Testing and Quality Assurance (QA)
 - Production Plan
 - B. Management
 - Manufacturing Capability/Facilities/Personnel Resources
 - Management Approach
 - Quality Assurance Program
2. Past Performance
 - A. Quality of Product and Processes
 - B. Timeliness of Performance
 - C. Business Professionalism/Business Relations
 - D. Customer Satisfaction
3. Experience
 - A. Similarity of Product
 - B. Similarity of Environment
4. Price

RFP at 48-49. The RFP stated that, based upon the results of the evaluation, the agency would assign adjectival and risk ratings to the proposals under the technical factors and subfactors, and risk ratings under the past performance and experience factors.² RFP at 48. The solicitation informed offerors that in determining which

² In accordance with the source selection plan, proposals could be evaluated under the technical factor and subfactors as “outstanding,” “highly satisfactory,” “satisfactory,” “marginal,” or “unsatisfactory,” and would be assessed as posing “low risk,” “medium risk,” or “high risk.” Additionally, proposals could be evaluated
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proposal represented the best value to the government, the technical factor was more important than either of the equally weighed past performance and experience factors. RFP at 48-49. The subfactors listed under the technical and past performance factors were listed in descending order of importance, and the subfactors under the experience factor were equal in importance. Id. The RFP also stated that price, while important, would be considered “significantly less important than Technical, Past Performance and Experience Factors combined.” Id. The RFP advised offerors that because the agency “may award a contract on the basis of initial offers without discussions,” their initial offers should contain their “best terms from a price and technical standpoint.” RFP at 50.

The RFP provided detailed instructions for the preparation of proposals and requested, among other things, that offerors organize their proposals to correspond to the solicitation’s technical, past performance, and experience evaluation factors, subfactors, and elements. RFP at 41. The solicitation, while setting forth page limitations for the various sections of the offerors’ proposals, also admonished offerors that each proposal was to “clearly indicate the offeror’s understanding of the proposal requirements through the submission of a satisfactorily completed proposal.” RFP at 40-41.

The agency received five proposals in response to the RFP. AR, Tab 7, Source Selection Evaluation Board (SSEB) Memorandum, at 1. The proposals were evaluated, with PDI’s proposal receiving ratings of “satisfactory” with “low risk” under the technical factor, and “very low risk” under the past performance and experience factors, at an evaluated price of \$7,244,100; DeVal’s proposal received ratings of “satisfactory” with “medium risk” under the technical factor, “very low risk” under the past performance factor, and “low risk” under the experience factor, at an evaluated price of \$5,801,600. Id. at 5, 10, 12. The source selection authority (SSA) selected DeVal’s proposal for award.

PDI requested and received a debriefing, during which it informed the agency that an error in calculating PDI’s total evaluated price had been made. PDI requested that the agency recalculate its total evaluated price, correct any errors, and reconsider its source selection decision. AR at 9-10. The record reflects that the agency found that it had indeed erred in calculating PDI’s total evaluated price, which should have totaled \$6,420,975, rather than \$7,244,100. AR at 10; Tab 12, SSA Redetermination, at 1. The SSA reviewed the source selection decision, and while again recognizing that DeVal’s proposal “does have a slightly higher risk associated with it and will require additional oversight,” determined that it represented the best value to the

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under the past performance and experience factors as “very low risk,” “low risk,” “moderate risk,” “high risk,” “very high risk,” or “unknown.” Agency Report (AR), Tab 6, Source Selection Plan, at 13-14.

agency given that its total evaluated price of \$5,801,600 “is \$619,375 lower than PDI,” which was considered “significant.” AR, Tab 12, SSA Redetermination, at 1-2. The agency subsequently informed PDI that it had recalculated PDI’s proposed price, and had again determined that DeVal’s proposal represented the best value to the government. This protest followed.

PDI argues that the agency’s evaluation of DeVal’s proposal under the technical factor as “satisfactory” with “medium risk” was unreasonable. The protester specifically contends that DeVal’s technical “proposal lacked specificity, was vague and ambiguous, and should have been eliminated from the competition.” Protester’s Comments at 5. In support of this contention, PDI points to the sections of DeVal’s technical proposal that address the manufacturing/assembly and production evaluation, testing and quality assurance elements of the technical approach subfactor to the technical evaluation factor. Protester’s Comments at 6-7.

The evaluation of technical proposals is a matter within the discretion of the contracting agency since the agency is responsible for defining its needs and the best method of accommodating them. In reviewing an agency’s evaluation, we will not reevaluate technical proposals, but instead will examine the agency’s evaluation to ensure that it was reasonable and consistent with the solicitation’s stated evaluation criteria. An offeror’s mere disagreement with the agency does not render the evaluation unreasonable. Westinghouse Gov’t and Env’tl. Servs. Co., Inc., B-280928 et al., Dec. 4, 1998, 99-1 CPD ¶ 3 at 5.

The RFP stated with regard to the manufacturing/assembly element that “[t]he offeror shall provide a detailed discussion of the approach that will be taken to manufacture and assemble the required upgrade to the . . . munitions trailer,” adding here that “[t]he offeror shall discuss the manufacturing/assembly/welding techniques, equipment used, and requirements for specialized equipment, tools, and fixtures.” RFP at 42. The solicitation informed offerors in this regard that proposals would “be evaluated to determine whether the offeror’s methods and approach in meeting the requirements provide the Government with a high level of confidence to ensure successful performance.” RFP at 48.

As the protester points out, the agency evaluators noted a number of weaknesses in evaluating DeVal’s proposal under the manufacturing/assembly element. In this regard, the evaluators noted that DeVal’s proposal described the “manufacturing/assembly, welding techniques and equipment used to fabricate the trailer in generic terms,” and “lacked detail relating the generic processes to specific trailer conversion components.” AR, Tab 7, SSEB Memorandum, at 5. The evaluators pointed out, for example, that in describing certain procedures to be used in performing the contract, the proposal was “generic,” in that it stated, among other things, that “[DELETED].” Id.; Tab 16, DeVal’s Proposal, Technical Volume, at 4. Additionally, one of the agency evaluators noted that DeVal’s proposal provided “no mention of purchased parts,” such as “brakes, tires, wheel bearings, lights, wire

harnesses, [hydraulic] tubing, hardware & accessories.” AR, Tab 18, Evaluator Worksheets, at 3.

The record reflects that the agency also found that the section of DeVal’s proposal addressing the manufacturing/assembly element demonstrated certain strengths, in that DeVal was “[DELETED],” and while not providing much detail, did provide a “[DELETED]” from disassembly through assembly of the munitions trailers. Id. Additionally, one of the evaluators commented that this section of DeVal’s proposal referenced the appropriate weld procedures to be used, and that DeVal proposed the use of a “[DELETED].” Id.

In our view, it is apparent from the record, including DeVal’s proposal, the evaluators’ worksheets, the SSEB Memorandum, and the source selection decision, that PDI is correct that DeVal’s proposal lacked certain details with regard to the manufacturing/assembly element. However, we cannot find the agency’s evaluation to be unreasonable because the record shows that the agency recognized and reasonably accounted for this lack of detail (as well as the lack of detail in other portions of DeVal’s proposal) when evaluating DeVal’s proposal, when rating DeVal’s proposal under the technical approach subfactor as only “satisfactory” with “moderate” proposal risk, and when selecting DeVal’s proposal for award.

The protester nevertheless asserts that the lack of detail provided in DeVal’s proposal for this element should have rendered its proposal unacceptable and disqualified it from the competition. In this regard, the protester points out that DeVal’s proposal did not detail whether or when certain fasteners would be removed from the trailer during disassembly, the manner in which the trailer’s toolbox would be removed, provide “detailed engineering drawings and narrative” demonstrating solutions to certain of the tasks to be accomplished in upgrading the munitions trailers in accordance with the SOW, or “detail its own proposed corrosion solution.”³ Protester’s Supplemental Comments at 2-4.

The protester misconstrues the level of detail required to be included in a proposal in order for it to be acceptable for award under the RFP here. As indicated, the RFP stated that the proposals were to include a “description of the approach to be taken to manufacture and assemble the required upgrade to the . . . munitions trailer,” and to “discuss the manufacturing/assembly/welding techniques” and equipment to be used so that the proposal could be “evaluated to determine whether the offeror’s methods and approach . . . provide the Government with a high level of confidence to

³ With regard to this last issue, the protester notes that DeVal’s proposal states little more than that it will apply “[DELETED],” and that its process will include “[DELETED]” in accordance with the military specification cited in the RFP. Protester’s Comments at 6; Protester’s Supplemental Comments at 3-4; AR, Tab 3, DeVal’s Proposal, Technical Volume, at 3.

ensure successful performance.” RFP at 42, 48. The solicitation, while requiring the discussion and description of the approach and techniques proposed by the offeror, simply did not require that a proposal include a detailed engineering analysis or a detailed step-by-step description of the offeror’s proposed manufacturing and assembly processes. Indeed, the RFP identified the submission of production and manufacturing drawings as a deliverable under the contract to be submitted within 120 days of contract award for approval (or disapproval) by the agency. RFP at 5. With regard to the lack of detail regarding coatings to be applied to the trailers for corrosion protection, either method of corrosion protection proposed by DeVal met the requirements of the RFP, and we cannot disagree with the agency’s determination that although DeVal’s proposal lacked detail here, it “adequately addressed the requirement for corrosion protection.” Agency Supplemental Report at 4.

The protester makes similar complaints with regard to the agency’s evaluation of DeVal’s proposal under the production evaluation, testing and quality assurance element of the technical approach subfactor. For example, the protester argues that DeVal’s proposal was “unacceptably vague” because it failed to “detail[] its proposed conversion solution,” and took what the protester characterizes as “a wait-and-see approach to engineering and design.” Protester’s Supplemental Comments at 7. The protester asserts that the agency should have evaluated DeVal’s proposal as “unsatisfactory” under this element because “[n]owhere in its proposal does DeVal show that its proposed conversion solution will work.” *Id.* at 4. PDI also notes that DeVal’s proposal provided that DeVal would develop a pre-production test plan after award, and queries how DeVal’s proposal could be found to “meet the requirement to discuss ‘in detail’ its proposed testing approach when, by its own admission, the test plan will not even be developed until after award?” Protester’s Comments at 8. The protester points out that the section of PDI’s proposal addressing the production evaluation, testing and quality assurance element included “[DELETED],” whereas in PDI’s view “DeVal has yet to even design its upgrade solution.” *Id.* at 5.

Based upon our review of the record, we cannot agree with the protester that the agency’s evaluation of DeVal’s proposal under the production evaluation, testing and quality assurance element was unreasonable, and again note that the protester misconstrues the level of detail required to be included in a proposal under the RFP here in order for a proposal to be considered acceptable. The RFP stated the proposals were to address the production evaluation, testing and quality assurance element by including “a narrative discussing in detail the approach that will be taken to meet the requirements for the PreProduction and First Article Units, Production Lot Testing and Quality Assurance provisions specified in the Solicitation,” so that the proposal could be “evaluated to determine whether the offeror’s methods and approach . . . provide the Government with a high level of confidence to ensure successful performance.” RFP at 42, 48. As noted by the agency, the section of DeVal’s proposal addressing this element included a “narrative form of the testing requirements called out in the [RFP’s] Performance Specification,” and described

certain aspects of DeVal's proposed testing plan and quality assurance procedures, which was sufficient to meet the RFP requirements.⁴ Id.; see AR, Tab 16, DeVal's Proposal, Technical Volume, at 11-15. Based on our review of the record, we think the agency reasonably determined that DeVal's proposal was acceptable under this element, and that its rating of DeVal's proposal as "satisfactory" with "moderate risk" reasonably reflected that this aspect of DeVal's proposal "had some weaknesses due to lack of detail in certain areas." See Agency Supplemental Report at 5.

In sum, we find reasonable the agency's evaluation of DeVal's proposal as "satisfactory" with "medium risk" under the technical approach subfactor to the technical factor and the technical factor overall.⁵

The protester also contends that in making the award decision the SSA erroneously considered a contract performed by DeVal well outside of the 3-year period of time established by the RFP for consideration of relevant past performance. Protester's Comments at 11, 14; Protester's Supplemental Comments at 9; see RFP at 44. This allegation is based on an affidavit prepared by SSA in response to this protest, wherein the SSA, in addition to addressing many of the arguments raised by the protester in its initial protest to our Office, also notes that he had "personal experience" with DeVal as a contracting officer with regard to a contract performed by DeVal in "the late 1990s." AR, Tab 19, SSA Affidavit (Nov. 8, 2006), at 3. The SSA describes in brief DeVal's performance on that contract, and concludes that he is "confident in DeVal's ability to perform" the contract awarded under this RFP. Id.

We first note that there is nothing in the contemporaneous record that suggests that the SSA's "personal experience" with DeVal as a contracting officer was considered during the agency's evaluation of proposals or the source selection. The first mention of the SSA's experience and views in this regard appear in the affidavit prepared in response to this protest and is not mentioned in the source selection document. Additionally, both DeVal and PDI achieved the best possible rating of

⁴ Contrary to the protester's apparent belief, the pre-production test plan was not required to be provided with the proposal, but consistent with DeVal's proposal "within 60 days after contract award." Agency's Supplemental Report at 5; RFP at 5 (Contact Line Item No. 0009/Pre-Production Test Plan).

⁵ PDI argued in its initial protest to our Office that its proposal should have been rated by the agency under the technical evaluation factor as "highly satisfactory" rather than "satisfactory" due to certain "enhancing features" included in PDI's proposal. Protest at 4-9. Because in its report on the protest the agency responded in detail to these arguments, and the protester did not respond to the agency's positions on these issues in its comments or supplemental comments, we consider PDI to have abandoned this aspect of its protest. Uniband, Inc., B-289305, Feb. 8, 2002, 2002 CPD ¶ 51 at 5 n.3.

very low risk for past performance. The agency's evaluation of DeVal's past performance is otherwise clearly supported by the contemporaneous record; in fact, the protester does not argue (with the exception of its reference to the SSA's affidavit) that the agency's evaluation of DeVal's past performance factor was unreasonable. Thus, even assuming the agency essentially waived the 3-year past performance requirement by considering this outdated DeVal past performance, there is no possibility that the protester was prejudiced by any such waiver, given that the protester could not have improved its past performance rating. See Buck Env'tl. Technologies, Inc., B-280520, Oct. 14, 1998, 98-2 CPD ¶ 129 at 7.

PDI finally challenges the agency's best value decision based upon its contentions regarding the agency's evaluation of DeVal's proposal discussed above. The protester also speculates that had the agency's initial calculation of PDI's price been correct, "there is substantial likelihood that such a small price differential, given the relative technical superiority of PDI, would have catalyzed the opening of discussions between the top rated offerors and the Navy." Protester's Supplemental Comments at 13. In our view, the source selection document reasonably explained why DeVal's proposal represented the best value to the government given its \$600,000 price advantage. PDI's contentions, based upon its argument that the agency's evaluation of DeVal's proposal was unreasonable, which we rejected above, and its speculation that the agency may have entered into discussions or selected PDI for award had it initially realized that DeVal's proposal's price advantage was \$600,000 (rather than \$1.3 million as previously calculated), provide no basis for overturning the award. Matrix Int'l Logistics, Inc., B-277208; B-277208.2, Sept. 15, 1997, 97-2 CPD ¶ 94 at 14.

The protest is denied.

Gary L. Kepplinger
General Counsel