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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: Capitol Supply, Inc.

File: B-309999.3

Date: January 22, 2008

Holly A. Roth, Esq., McDermott Will & Emery, and Jon W. van Horne, Esq., for the protester.

Kacie A. Haberly, Esq., General Services Administration, for the agency.

Nora K. Adkins, Esq., and James Spangenberg, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Agency properly excluded from consideration vendor's quotation for failing to follow the solicitation's mandatory pricing instructions under solicitation of Federal Supply Schedule vendors for issuance of multiple blanket purchase agreements for office supplies.

DECISION

Capitol Supply, Inc. protests the agency's decision to exclude its quotation from consideration under request for quotations (RFQ) No. 189760, issued by the General Services Administration (GSA) to all vendors with Federal Supply Schedule (FSS) contracts for Special Item Number (SIN) 75 200 Office Products, for the issuance of multiple non-mandatory blanket purchase agreements (BPA) to provide general office supplies, toner and paper.

The RFQ was to implement the goals of the Federal Strategic Sourcing Initiative (FSSI).¹ It provided for the issuance of BPAs that would establish streamlined and common contracting vehicles that could be leveraged by users throughout the government, better allow socioeconomic goals to be satisfied by participating

¹ The FSSI involves the collaborative and structured analysis of federal spending across a number of Federal agencies in order to, among other things, establish vehicles that increase total cost savings, value, and socioeconomic participation, and create a strategic sourcing community of practice.

agencies, capture valuable expenditure data to support the FSSI, and achieve cost savings.

The RFQ requested vendors to quote commercially available office products from their GSA Schedule contracts (except for furniture, electronic information technology (with a few exceptions), janitorial cleaning supplies and “break room” supplies). Multiple BPAs were to be issued as a result of the RFQ. The decision as to what vendors were to be issued BPAs was to be made on a best-value basis for a base 1-year BPA with two 1-year options. Each quotation was to be evaluated based on the following evaluation factors: socio-economic status, technical and management approach, capability and capacity, past performance, and price (including discount terms). RFQ amend. 1, at 5.

Quotations were to be submitted in writing, and be fully and completely in compliance with the RFQ instructions. Each quotation was to clearly demonstrate understanding of both the general and specific requirements as well as convey the vendor’s capability for transforming its understanding into successful performance under a BPA order. The RFQ cautioned that “[i]ncomplete quotes will be considered non-responsive and will not be further evaluated.” RFQ at 24.

Vendors were required to submit their price quotations on an electronic pre-formatted spreadsheet provided as part of an Excel workbook by the agency.² Vendors were to enter their item prices as both a discount against the applicable S.P. Richards (SPR) catalog list price and as a discount against the vendor’s own GSA Schedule price. RFQ amend. 2, Office Supplies Price Quote Sheet. Vendors were also required to provide with their price quotations additional volume discounts based upon designated tiered thresholds.

The Excel workbook contained six tabs: instructions, contact information, definitions, SPR catalog, item pricing and volume discounts. The item pricing tab spreadsheet was presented as follows:³

1	2	3	4	5	6	7	8	9	10	11	12
Office supplies sub-category (use pull down list)	Manufacturer name	Stripped manufacturer part number (Reference SPR catalog tab for correct format)	Current GSA schedule price (\$)	Proposed BPA price (\$)	Quantity per selling unit (for items NOT in ‘SPR Catalog’ tab)	Item Description (for times NOT in ‘SPR Catalog’ tab)	Unit of measure (for items in SPR catalog)	Quantity per selling unit (for items in SPR catalog)	Discount off current GSA schedule price (%)	SPR list price (\$)	Discount off SPR list price (%)
Calendar	At-A-Glance	AAG47294	\$24.00	\$21.00			EA	1 EA	-13%	\$27.39	-23%

² This spreadsheet was pre-formatted for only the first 15,002 cells.

³ The “calendar” item on the spreadsheet above is for illustrative purposes only.

The instructions tab contained detailed six-step instructions on how to complete the spreadsheet together with a flow chart providing an example of the steps to be followed by the vendors in completing the spreadsheet. Step 3 of the instructions⁴ asked vendors to

Review the list of “stripped manufacturer part numbers” in the “SPR Catalog” tab, since step 4 below requires that you enter part numbers for the office supplies items in your catalog in a very specific format. Note that the entire Q1 2007 S.P. Richards catalog is contained in the tab “SPR Catalog” for your reference.

Id., Tab 1, Instructions, at 1.

Step 4, “LIST OFFICE SUPPLIES ITEMS BY DEFINED SUB-CATEGORY IN QUOTE SHEET,” provided specific information on completing the spreadsheet, in particular the need to cross-reference the stripped part numbers from the SPR catalog for those items carried in the vendor’s own catalog:

List all office supplies items you offer in the “Item Pricing” tab . . . These items must be listed by manufacturer name (in column 2) and “stripped manufacturer part number (in column 3). The “stripped manufacturer part number” is the manufacturer part number without any non-alphanumeric characters and without any spaces. . . . A complete list of “stripped manufacturer part numbers” (from the S.P. Richards catalog) can be found in the “SPR Catalog” tab. It is very important to correctly enter the “stripped manufacturer part number” since this information will be used to automatically lookup the S.P. Richards list price and other related information. Failure to correctly enter accurate “stripped manufacturer part numbers” will result in invalid quotes.

NOTE: FOR ITEMS ENTERED THAT ARE NOT IN THE S.P. RICHARDS CATALOG -- Upon entering the specified information, you will notice that the columns designated as “8” [SPR unit of measure], “9” [SPR quantity per unit], and “11” [SPR list price] will populate automatically (if the entered “stripped manufacturer part number” is contained in the S.P. Richards catalog).⁵ However, if the item entered in column 3 is not contained in the S.P. Richards catalog, an error (#N/A) will appear in these columns. Disregard this error if the item

⁴ Steps 1 and 2 are not pertinent to our decision here.

⁵ Entering the stripped manufacturer part numbers also enables the automatic calculation and population of column 12, “Discount off SPR list price.”

entered is not contained in the S.P. Richards catalog but is a valid manufacturer part number.

Id.

Step 5 required vendors, upon entering each item, to provide their current GSA schedule price (in column 4) as well as their proposed BPA price (in column 5) on the spreadsheet. The RFQ cautioned here, “Note that the pricing being provided must be in reference to the specified ‘Unit of Measure’ in column 8 and the ‘Quantity per Selling Unit’ in column 9 for items listed in the ‘SPR Catalog’ tab.”

In summary, the RFQ required that the data for columns 1 through 5 must be entered by the vendor for every item offered whether they were in the SPR catalog or not. Vendors quoting items not found in the SPR catalog had to also enter data in columns 6 and 7. If data was correctly entered into these previous columns, columns 8 through 12 would automatically be populated, although columns 8, 9, 11 and 12 would only show “#N/A” if the item was not listed in the SPR catalog or if the stripped manufacturer part number was not properly entered into column 3.

The RFQ stated that the use of SPR catalog list prices in the evaluation was “for the sole purpose of having a consistent reference point for pricing analysis and comparison across all suppliers during the proposal process,” and did not mean that the vendor must use SPR as its supplier. RFQ at 32. Price was to be evaluated considering both the vendor’s discounts from the SPR prices and the discounts from the vendor’s GSA Schedule prices. RFQ amend. 1, at 6.

Forty-two quotations were received by the closing date of March 30, 2007. AR at 2. After the quotations were evaluated, GSA established 13 BPAs on August 3. Capitol’s quotation was rejected because GSA found that it had not been prepared in accordance with the RFQ’s pricing instructions. After an agency-level protest was denied, this protest followed. Capitol contends that GSA improperly rejected its quotation.

Capitol’s quotation offered 55,974 items. As initially submitted, Capitol ignored the fact that the spreadsheet was only pre-formatted for the first 15,002 items and continued entering items beyond that limitation, which meant that the items beyond the first 15,002 could not be evaluated. On May 14, Capitol was given an opportunity to correct this problem by copying and pasting, to a new spreadsheet, the pre-formatted columns to allow entry of additional items. In addition, the contracting officer informed Capitol that its price quote was not in the proper format and could not be evaluated as submitted, and advised Capitol that it had inserted improper part numbers in the submitted spreadsheet. AR at 2-3; Contracting Officer’s Statement at 6-7. Capitol submitted revised spreadsheets on May 17.

Capitol's revised spreadsheet was also found by GSA to not comply with the pricing instructions in several significant respects. Most particularly, 40,005 of Capitol's proposed 55,974 items were not identified in accordance with the pricing instructions and for this reason the prices of these items could not be evaluated. A spot check by GSA revealed that many of these items were in the SPR catalog; however, Capitol did not enter the proper stripped manufacturer part number as required by the pricing instructions that would allow the item prices to be compared to the SPR baseline price. In addition, many of these items were for out of scope items (e.g., toilet paper dispenser, break room supplies) or had quantities for SPR catalog items different from those identified in the catalog.⁶ With regard to the 15,959 items for which a proper stripped manufacturer part number had been entered on the spreadsheet by Capitol, 2,181 of these items were out of scope items and 1,513 items stated valid part numbers but designated quantities different from those identified in the SPR catalog.

As indicated above, the solicitation pricing instructions clearly indicated that, for items the vendor was quoting from its GSA Schedule that were also found in the SPR catalog, the vendor was required to cross-reference to the SPR catalog to provide and correctly enter the SPR stripped manufacturer part number in column 3 to allow the pre-formatted spreadsheet to be populated, which would enable the agency to conduct its baseline price evaluation.⁷ Our review of the record confirms that Capitol did not provide the proper stripped manufacturer part numbers for a majority of items it quoted from the SPR catalog and consequently a baseline price was not established for these items. As a result, Capitol's quotation could not be evaluated in accordance with the GSA's evaluation scheme that envisioned a comparison of the relative discounts of items that were listed in the SPR catalog.

An agency is not required to adapt its evaluation to comply with a vendor's submission. It is the vendor that bears the burden of submitting an adequately written quotation by including all information that was requested or necessary for its proposal to be evaluated. See HealthStar VA, PLLC, B-299797, June 22, 2007, 2007 CPD ¶ 114 at 2. While Capitol argues that the agency could have evaluated the price of its quote based only on the items for which it did provide the proper stripped manufacturer part numbers, this would provide a benefit to Capitol that other vendors did not have. Under the solicitation's instructions, vendors were required to be evaluated against the baseline SPR price for those items quoted that were found

⁶ GSA did not catalog the numerous instances of noncompliance within these 40,005 items, but found the prices for these items could not be evaluated because of the absence of proper stripped manufacturer part numbers.

⁷ Since vendors provide differing fair and reasonable prices for the same items in their FSS contracts, comparing quotations only against vendors' FSS contract prices would not result in a common baseline evaluation.

in the SPR catalog. Vendors could not choose to opt out of the baseline evaluation by not providing the proper stripped manufacturer numbers for items in the SPR catalog.⁸ This would allow Capitol the unfair advantage of deciding which method of item identification would be more advantageous to it in the price evaluation, which would have prejudiced the other vendors who adhered to the solicitation requirements. Where a vendor's quotation contains an irregularity that could provide a benefit to that vendor not extended to all vendors by the RFQ, and which is prejudicial to other vendors, the quotation is unacceptable. See The Mangi Envtl. Group, Inc., B-294597, Nov. 29, 2004, 2004 CPD ¶ 238 at 2.

Accordingly, the agency's decision to reject Capitol's quotation was reasonable.⁹

The protest is denied.

Gary L. Kepplinger
General Counsel

⁸ The protester's assertions that it was not appropriate or consistent with the RFQ instructions for it to provide stripped manufacturer part numbers where it did not intend to obtain the items from SPR and that it would be improper for the agency to require the offeror to identify items in a manner different from how they are identified in its FSS contract reflect a lack of understanding of the RFQ's price evaluation scheme, which clearly stated that the SPR catalog evaluation was only a reference point for the price analysis of the quotations. Capitol was further alerted to the requirement for SPR catalog identifiers in GSA's questions and answers document provided to vendors on February 13 where several vendors stated their prices were based on another company's catalog and requested that they be allowed to quote based on that other company's catalog. In response, GSA stated, "Answer: No. The use of S.P. Richards' list price is for the sole purpose of having a consistent reference point for pricing analysis and comparison across all suppliers during the proposal process." Comments of Protester, November 26, 2007, Exhibit 1, Questions and Answers, at 18 & 24.

⁹ Capitol also challenges the price evaluation actually employed, arguing that it was inconsistent with the RFQ. Because Capitol's quotation was properly rejected for failing to provide the requested pricing information for price evaluation purposes, it is not an interested party under our Bid Protest Regulations eligible to protest how the prices were evaluated, since there are other vendors with a more direct economic interest to protest this issue. 4 C.F.R. §§ 21.0(a), 21.1(a) (2007).