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DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

[Protest of National Credit Union Administration Contract Award]

FILE: B-202196

DATE: May 14, 1981

MATTER OF: Price Waterhouse & Co.

COG00206

DIGEST:

Where proposal failed to demonstrate adequate understanding of problem, did not contain detailed work plan, and failed to show that necessary work could be accomplished at low number of hours proposed, agency properly excluded proposal from competitive range.

Price Waterhouse & Co. protests the award of a cost-plus-fixed-fee contract to Touche Ross & Co. under request for proposals (RFP) No. NCUA-R-81-001 issued by the National Credit Union Administration (NCUA) for a study regarding NCUA's liquidation program. Price Waterhouse essentially disagrees with NCUA's determination to exclude Price Waterhouse's proposal from the competitive range because Price Waterhouse believes it has substantial related experience and it proposed a lower cost. NCUA explains that Price Waterhouse did not demonstrate as good an understanding of the problem as the awardee and the other offeror in the competitive range; consequently, Price Waterhouse's proposed approach to the work and cost realism did not rate as well as the two offerors considered to be in the competitive range. We conclude that the protest is without merit.

*COG00207
AGC00505*

The RFP notified offerors that a cost-plus-fixed-fee contract would be awarded to the offeror who proposed to perform the work in a manner most advantageous to the Government in accord with the following criteria and relative importance of each:

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Understanding of Problem	20
Soundness of Approach	20
Personnel Qualifications	30
Corporate Related Experience	20
Cost Realism	<u>10</u>
	100

NCUA rated Price Waterhouse's proposal near perfect in the areas of Personnel Qualifications and Corporate Related Experience; however, Price Waterhouse's proposal, in NCUA's view, did not demonstrate a clear understanding of NCUA's problem. NCUA reports that Price Waterhouse merely restated what the RFP required or discussed Price Waterhouse's related work for another agency. NCUA concluded that Price Waterhouse's presentation was too vague to demonstrate a clear understanding of the need to be satisfied.

NCUA's concern about Price Waterhouse's understanding the problem is reflected in NCUA's rating of Price Waterhouse's Soundness of Approach. Price Waterhouse provided no detailed work plan and no clarity on what it proposed to deliver to NCUA at the conclusion of the work. NCUA considered Price Waterhouse's approach to be too vague to determine whether it would be successful.

NCUA also was concerned about Price Waterhouse's proposed number of hours to perform the work. NCUA felt that Price Waterhouse had not shown that the necessary work could be accomplished realistically in the low number of hours proposed.

When NCUA compared Price Waterhouse's proposal to the others submitted, NCUA decided to exclude Price Waterhouse's proposal from the competitive range.

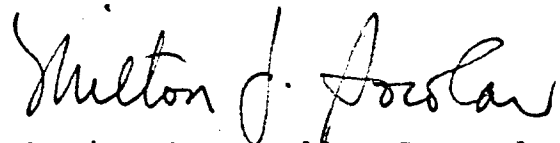
Price Waterhouse disagrees with NCUA's rating of its proposal in the three areas cited by NCUA. Regarding Understanding the Problem, Price Waterhouse

states that its unique understanding of the liquidation of financial institutions obtained through work with two other Federal agencies gives it an appreciation of the problem involved in the instant procurement. Regarding Soundness of Approach, Price Waterhouse believes that it adequately addressed each problem area in the RFP; Price Waterhouse raised other issues based on its experience with the other Federal agencies and Price Waterhouse states that it proposed a proven work program. Regarding Cost Realism, Price Waterhouse believes that, based on experience, it knows what the effort would require in terms of manhours and qualifications of personnel, and its lower proposed cost should have been deemed advantageous to the Government.

In deciding protests against an agency's determination to exclude a proposal from the competitive range, we recognize that such a determination is primarily a matter of administrative discretion, which we will not question when the agency has a reasonable basis. See, e.g., Decilog, B-198614, September 3, 1980, 80-2 CPD 169. In Decilog, we concluded that the protester failed to translate its knowledge and capabilities into the initial proposal and that the procuring agency reasonably determined that the protester did not understand the work requirements. Thus, since substantial proposal revision would have been required, it was not improper for the procuring agency to exclude the protester's proposal from the competitive range.

Here, after considering NCUA's evaluation of Price Waterhouse's proposal, NCUA's report on the protest, reviewing Price Waterhouse's proposal, and carefully considering Price Waterhouse's initial protest submission and its comments on NCUA's detailed report, we find no basis to question the reasonableness of NCUA's determination to exclude Price Waterhouse's proposal from the competitive range.

Protest denied.



Acting Comptroller General
of the United States