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

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Decision

Matter of: George G. Sharp, Inc.

File: B-401077; B-401077.2

Date: April 15, 2009

Dawn L. Serafine, Esq., Michael J. Gardner, Esq., and George G. Booker, Jr., Esq., Troutman Sanders LLP, for the protester.

Wilbert Jones, Esq., U. S. Coast Guard, 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

1. Agency reasonably determined that indication in quotation that successful vendor would hire incumbent personnel and that it and team member had corporate resources and qualified personnel to meet requirements satisfied solicitation requirement that vendors confirm ability to have requisite personnel at time of issuance of task order.
2. Agency's evaluation of successful vendor's proposed project manager (PM) and alternate was unobjectionable where agency based evaluation primarily on resume detailing proposed PM's qualifications, and also gave credit for alternate candidate based on information from outside quotation.
3. Agency reasonably evaluated successful vendor's and team member's experience and past performance as superior where quotation and past performance reference response demonstrated relevant experience and overall superior past performance.

DECISION

George G. Sharp, Inc., of Alexandria, Virginia, protests the issuance of a task order to Universal Systems & Technology, Inc. (UNITECH), of Centreville, Virginia, under request for quotations (RFQ) No. HSCG23-09-Q-MMN039, issued by the Department of Homeland Security (DHS), U. S. Coast Guard (USCG), for technical support services. The competition was limited to vendors holding General Services Administration (GSA) Federal Supply Schedule contracts. Sharp challenges the technical evaluation of UNITECH's quotation.

The protest is denied.

The RFQ sought quotations for technical support in the review and approval of Vessel Security Plans (VSP) and validation of participation in alternative security programs (ASP), including renewals of security plans, e.g., transportation worker identification credentials (TWIC). The RFQ contemplated issuance of a fixed-price task order, on a “best value” basis, for a base year, with four 1-year options. Quotations were to be evaluated under three factors—contractor’s technical capability, relevant past performance, and price. Technical capability was significantly more important than past performance and, combined, these factors were slightly more important than price.

Five vendors, including Sharp and UNITECH, submitted quotations, which were evaluated by a technical evaluation team (TET). As relevant here, the TET found that both Sharp’s and UNITECH’s quotations exceeded technical requirements and evidenced superior past performance, but that Sharp’s performance risk was low, while UNITECH’s was moderate. Based on these technical ratings and UNITECH’s lower quoted price, the agency concluded that UNITECH’s quotation was the best value and issued that firm the task order. This protest followed.

Sharp challenges the evaluation of UNITECH’s quotation on various grounds including the agency’s apparent conclusion that UNITECH’s quotation was equivalent to Sharp’s. In Sharp’s view, had the agency properly downgraded UNITECH’s quotation, Sharp’s superior quotation would have been selected as the best value.

In considering a protest of an agency’s quotation 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. We have considered all of Sharp’s arguments and find that they provide no basis to object to the selection decision. We address Sharp’s most significant arguments below.

TECHNICAL EVALUATION

Proposed Personnel

Sharp asserts that UNITECH failed to meet the RFQ’s requirement to have all necessary personnel available at the time of the selection because it proposed to hire incumbent (Sharp) personnel, none of whom was employed by UNITECH at the time of the selection.

Sharp’s argument is without merit. The RFQ did not require identification of specific employees as of the date of the selection; rather it required vendors to “confirm their ability to have all necessary personnel in place” at the time of selection. RFQ at 1. In addition to proposing to hire incumbent personnel, UNITECH’s quotation identified

its own and its team member's (ABS Consulting) personnel. In this regard, under the heading "technical capability"--the factor under which available personnel was to be evaluated--UNITECH's quotation stated that both team members had the "corporate resources and qualified personnel in their DC Metropolitan Area facilities" to meet the agency's requirements. UNITECH Quotation at 2. In evaluating UNITECH's quotation, the TET noted the vendor's plan to hire incumbent personnel and recognized that no letters of commitment had been submitted in the quotation. TET Report at 4. However, the TET found that UNITECH's teaming with ABS--"well known ship classification society . . . involved with the U.S. maritime industry for over 100 years"--represented an "asset" and "immediate resource" that UNITECH could use to "supplement qualified personnel" in the event that UNITECH was unsuccessful in retaining the incumbent personnel. *Id.* While Sharp observes that UNITECH's quotation did not specifically present this as its "back up plan" (Supp. Protest at 5), considering that UNITECH's quotation was based on providing 11 personnel (in addition to its named project manager (PM)) to perform the work, we think the agency reasonably determined that, taken as a whole, the information in UNITECH's quotation was sufficient to "confirm its ability" to provide the necessary personnel at the time of the selection.

Proposed PM

Sharp asserts that the agency improperly gave UNITECH evaluation credit for the qualifications of the incumbent PM, who is a Sharp employee, even though it had no commitment from him and failed to submit his resume.¹ Supp. Protest at 6.

This argument is without merit. UNITECH's quotation proposed a specific PM candidate other than the incumbent PM, and included her detailed resume; stated that, if USCG wished to retain the incumbent PM, UNITECH "would be happy to [so] designate him"; and noted that it had spoken with the incumbent PM about the possibility, and that he had "agreed in principle to remain on as the PM." UNITECH Quotation at 6. Contrary to Sharp's assertions, the TET based its evaluation and assessment of a strength primarily on UNITECH's proposed candidate for PM. In this regard, it discussed the proposed PM's qualifications in detail, considering them a strength based on her current work with USCG (2 years) and her previous work with the incumbent PM for approximately 3 years. TET Report at 4. The TET also

¹ In a related argument, Sharp asserts that the evaluation record improperly fails to mention or identify as a strength its plan to retain the current PM. Supp. Protest at 7. This assertion is without merit. In evaluating Sharp's technical capability as "exceeds requirements," the TET specifically identified as an evaluated strength Sharp's proposed PM's qualifications and status as the incumbent. TET Report at 2. While the source selection decision did not specifically mention the incumbent PM, it did state as a strength "entire staff, fully-trained and knowledgeable." Award Decision at 5.

found that the RFQ requirements would be “well met” through the proposed PM, since her background would allow her to provide guidance to personnel unfamiliar with VSP reviews, and would thereby reduce the learning curve for a new contractor. Id. While the TET did also refer to the quotation’s mention of the incumbent PM, it is clear that the incumbent PM alternative was given no weight in the source selection; the “award” recommendation document relied only on the strength associated with the proposed PM. Award Decision at 6. Further, although UNITECH’s quotation did not include a firm commitment or resume from the incumbent PM, the agency considered the incumbent’s qualifications based on available information. In this regard, an agency is not bound by the “four corners” of an offeror’s quotation and may use other information of which it is aware. See Park Tower Mgmt. Ltd., B-295589, B-295589.2, Mar. 22, 2005, 2005 CPD ¶ 77 at 6 (where offeror proposed to retain the current PM, but did not include his resume in its proposal, agency properly considered the resume included in incumbent offeror’s proposal). We conclude that the evaluation in this area was reasonable.

Experience and Past Performance

The RFQ required quotations to include sufficient and detailed related experience of comparable scope that clearly demonstrated the contractor’s capability to perform all of the performance work statement requirements. RFQ at 1. With regard to past performance, vendors were required to provide recent (within the past 3 years) information on services directly related and relevant to the services covered by the performance work statement. RFQ at 2.

Sharp asserts that the TET should not have rated UNITECH’s quotation equal to Sharp’s—exceeding requirements under the technical capability factor and superior under the past performance factor—because UNITECH’s experience was inferior to Sharp’s. Specifically, Sharp notes that its experience and past performance cover two prime contracts—including work under the current contract for the requirement—and one contract on which it served as a subcontractor. In contrast, UNITECH’s past performance and experience encompassed two subcontracts and one contract performed by its team member, ABS.

Where a solicitation calls for the evaluation of experience and past performance, we will examine the record to ensure that the evaluation was reasonable and consistent with the solicitation’s evaluation criteria and procurement statutes and regulations. The MIL Corp., B-297508, B-297508.2, Jan. 26, 2006, 2006 CPD ¶ 34 at 10.

The evaluation of experience and past performance was reasonable. UNITECH’s quotation included information showing its relevant experience as a subcontractor to ABS under multiple task orders issued by USCG that involved technical, program, and administrative support services—including TWIC, security and VSP issues—and as a subcontractor to ABS under a contract with Harris County, Texas, which involved conducting a full and comprehensive vulnerability assessment, including maritime

security issues at the Galveston Bay Complex. UNITECH Quotation at B-2 and B-5. UNITECH also provided information showing ABS's relevant experience on a DHS task order to develop and implement a new regulatory scheme at high-risk chemical facilities. *Id.* at B-4. In evaluating UNITECH's quotation as exceeding requirements, the TET found that the quotation evidenced UNITECH's relevant past performance and experience in working with projects for, and providing information to, appropriate USCG units regarding the arrival of high interest vessels, liquefied natural gas carriers, and boarding matrix information used by USCG to determine boarding priorities of foreign vessels arriving in U.S. ports. TET Report at 4. The TET also noted the proposed PM's experience with USCG projects dealing with port and facility security arrangements, the TWIC program, and VSPs. *Id.* With regard to past performance, the contract specialist rated UNITECH's quotation superior under three USCG task orders based on superior ratings in six areas--conforming to contract requirements/standards of good workmanship, ability to provide qualified personnel, compliance with Privacy Act/security requirements, adherence to schedule, timeliness of status reports, and implementing program requirements--and satisfactory ratings in three areas--responding to and correcting issues, effective problem resolution, and meeting of interim milestones. Past Performance Questionnaire at 2-3.

Since nothing in the RFQ prohibited vendors from submitting, or the agency from evaluating, experience and past performance information based on a vendor's status as a subcontractor, the agency properly gave full consideration to such experience in the evaluation. *See Synergetics, Inc.*, B-299904, Sept. 14, 2007, 2007 CPD ¶ 168 at 3 (agency reasonably considered offeror's past performance as subcontractor where solicitation allowed for consideration of experience with same or similar services). Likewise, in evaluating a firm's experience and past performance, it is proper for an agency to consider the experience of proposed key personnel. *See United Coatings*, B-291978.2, July 7, 2003, 2003 CPD ¶ 146 at 7. There thus was nothing objectionable in the agency's considering the experience of UNITECH's proposed PM. Further, since the RFQ requirements involve technical reviews of VSPs and TWICs, the agency could reasonably conclude that UNITECH's experience in these and other maritime security matters with USCG, DHS, and a state agency was directly relevant and applicable, supporting the exceeds requirements rating under the technical capability factor. UNITECH's relevant and superior past performance under the three USCG task orders likewise supports the agency's past performance evaluation. We conclude that this aspect of the evaluation was unobjectionable.

SOURCE SELECTION

Sharp asserts that the agency's source selection was flawed because its quotation was technically superior to UNITECH's, as evidenced by its greater number of strengths, experience and past performance as the incumbent vendor, and its low evaluated performance risk, as compared to UNITECH's lesser experience and moderate risk. In Sharp's view, since technical factors were more important than

price, the agency should have issued it the task order at its less than 6 percent higher price. Supp. Protest at 12.

Under a best value evaluation scheme, notwithstanding a solicitation's emphasis on technical merit, an agency properly may select a lower-priced, lower technically rated quotation if it decides that the price premium involved in selecting a higher-rated, higher-priced quotation is not justified, given the level of technical competence available at the lower price. WorldTravelService, B-284155.3, Mar. 26, 2001, 2001 CPD ¶ 68 at 8.

Here, the source selection authority (SSA) was provided with a report from the contracting specialist and contracting officer that included an evaluation record showing both the vendors' equivalent ratings and a description of the underlying differences in the vendors' strengths and their past performance, including UNITECH's moderate performance risk. Award Decision at 5-8, 12. These contracting officials specifically recommended to the SSA that an order be issued to UNITECH as the best value based on the vendor's "organizational expertise to understand and provide the services needed," its possession of the "necessary qualified personnel," "its [s]uperior past performance rating, and its lowest price." Id. at 12. Fully aware of this information, the SSA expressly approved their recommendation. Id. Under these circumstances, it was clear that the SSA considered any technical advantage enjoyed by Sharp's quotation not worth its higher price. Since, as discussed above, there was nothing objectionable in UNITECH's technical evaluation, and the award determination was consistent with the RFQ's provision that non-price factors combined were only "slightly more important than" price (RFQ at 2), there is no basis for us to object to the source selection.

The protest is denied.

Gary L. Kepplinger
General Counsel