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**Comptroller General  
of the United States**

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

## Decision

**Matter of:** TCMP Health Services LLC

**File:** B-407038; B-407038.2

**Date:** October 17, 2012

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John R. Tolle, Esq., and Bryan R. King, Esq., Barton, Baker, Thomas & Tolle, LLP, for the protester

Kenneth A. Martin, Esq., The Martin Law Firm, for Aliron International, Inc., the intervenor

Erica S. Beardsley, Esq., Department of the Army, for the agency.

A.J. Stephens, Esq., and James A. Spangenberg, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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### **DIGEST**

Protest is denied where the agency's comparison and confirmation of the offerors' proposed prices constituted a reasonable price realism analysis that was consistent with the terms of the solicitation.

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### **DECISION**

TCMP Health Services, of Springfield, Virginia, protests the award of a contract to Aliron International, Inc. under request for proposals (RFP) No. W9114F-11-R-0003, issued by the Department of the Army, for dental services. TCMP challenges the agency's price realism analysis and the evaluation of Aliron's proposal.<sup>1</sup>

We deny the protest.

The RFP provided for the award of a fixed-price, indefinite-delivery/indefinite-quantity (ID/IQ) contract for a base year and four option years. The award was to be to the lowest-priced, technically acceptable proposal. Under the terms of the solicitation, the agency would evaluate the offers under three factors: technical, past and present performance, and price. The technical factor had six subfactors:

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<sup>1</sup> TCMP also protested the evaluation of Dental Health Management Services (DHMS), the offeror next in line for award.

contractor quality control plan, management capabilities, recruitment, retention, relevant corporate experience, and orientation program. Proposals were to be rated either acceptable or unacceptable under the technical and past and present performance factors.

The solicitation stated that the agency would calculate a total price by adding the base year and all option years for each offeror and compare these totals. Further, the solicitation stated:

An offeror's price proposal shall represent the offeror's best efforts to respond to this solicitation. Any inconsistency between promised performance and total proposed price shall be explained in the price proposal. For example, if a unique, innovative approach is the basis for an abnormally low cost estimate, the nature of these approaches and their impact on the total proposed price must be explained. If an offeror proposes to absorb a portion of costs, the offeror must explain the impact on the total proposed price. Any significant inconsistency, if left unexplained, will raise a fundamental question of the offeror's understanding of the nature and scope of work required and the offeror's ability to perform the contract within fiscal constraints and may render the proposal unacceptable. The threshold is met when the offeror's price proposal demonstrates a realistic price for each function within the [Performance Work Statement] and a total proposed price estimate that reflects a clear understanding of all of the service requirements for the transition period, base period, and each of the four (4) one-year option periods.

RFP at 160–161.

The agency rated the proposals of Aliron, DHMS, and TCMP as acceptable for both factors. Aliron had the lowest total price for the contract's 5-year term at \$53,284,889, followed by DHMS at \$53,689,022, and then TCMP at \$55,072,126. Based on the foregoing, the agency made award to Aliron.

TCMP first argues that the agency failed to conduct the price realism analysis required by the solicitation for Aliron's and DHMS's proposals, which TCMP argues are insufficient to perform the required services.

Where, as here, the award of a fixed-price contract is contemplated, a proposal's price realism is not ordinarily considered since a fixed-price contract places the risk and responsibility for costs and resulting profit or loss on the contractor. However, an agency may provide in the solicitation for a price realism analysis for such purposes as measuring a firm's understanding of the solicitation requirements, or to avoid the risk of poor performance from a contractor who is forced to provide goods or services at little or no profit. Phacil Inc., B-406628, July 5, 2012, 2012 CPD

¶ 202 at 4. The depth of the Army's price realism analysis is a matter within the sound exercise of the agency's discretion. Grove Resource Solutions, Inc., B-296228, B-296228.2, July 1, 2005, 2005 CPD ¶ 133 at 4-5. In reviewing protests challenging price realism evaluations, our focus is whether the agency acted reasonably and in a manner consistent with the terms of the solicitation.

Here, the record shows that the agency conducted a reasonable price realism analysis. The Army compared the prices proposed by Aliron and DHMC to each other and the other proposed prices, to the historical price paid under the current contract, and to an independent government estimate. Agency Report, Tab 23, at 22-23. In addition, the agency asked both Aliron and DHMC to confirm that their prices took into consideration all aspects of contractor employee benefits such as cost of living, housing, and U.S.-dollar-to-Euro differences. Agency Report, Tab 10, at 1; Tab 12, at 2. The Army also requested that Aliron confirm that its price did not contain errors or mistakes and that Aliron was confident that it could perform the contract successfully. Agency Report, Tab 11, at 1. No inconsistencies between the offerors' proposed prices and technical approaches were found. We find that the Army's comparison and confirmation of the proposed prices comprised a reasonable price realism analysis that was consistent with the terms of the RFP.

TCMP nevertheless contends that Aliron and DHMS would not be able to meet the retention rates required by the RFP at their low proposed prices.<sup>2</sup> TCMP has provided no support for this contention, except to note that Aliron's (and DHMS's) prices were lower than TCMP's.<sup>3</sup> Moreover, we note that Aliron's and DHMS's proposed prices are not consistently lower than TCMP's proposed prices. For instance, TCMP's hourly unit price for Dentist Call-Back Services (Germany) in the base year is \$25.06, while Aliron's is \$55.96 and DHS's is \$95.00. Agency Report, Tab 7, at 6; Tab 8, at 3; Tab 20, at 6. Additionally, TCMP's total proposed price for option years three and four was lower than either Aliron's or DHMS's total proposed prices for those years. Agency Report, Tab 23, at 20. TCMP's contention that Aliron's and DHMS's lower prices would prevent them from meeting the required retention rate is not supported by a comparison of the offerors' prices.

The protester also contends that certain weaknesses identified by the agency in its review of the proposals of Aliron and DHMS should have led the Army to find their

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<sup>2</sup> The RFP requires the contractor to not allow the fill rate to drop below 95 percent for general dentists and hygienists and 90 percent for orthodontists and pediatric dentists. RFP at 98.

<sup>3</sup> The Army did not request compensation plans detailing labor rates, fringe benefits, general and administrative rates and profit, and stated that if a detailed compensation plan was submitted, it would not be evaluated. RFP amend. 1 at 6. Therefore, these could not be considered in the price realism analysis.

proposals unacceptable under the technical subfactors of recruitment and retention. Specifically, the agency found that Aliron's proposed employee benefits were weak on OCONUS living environment packages under the recruitment subfactor and Aliron's proposed efforts to retain current employees were weak on specifics. Agency Report, Tab 2, at 7. The agency identified time off and vacation policies as a weakness of DHMS's proposal under the retention subfactor.

The evaluation of an offeror's proposal is a matter within the agency's discretion. National Gov't Servs., Inc., B-401063.2 et al., Jan. 30, 2012, 2012 CPD ¶ 59 at 5. In reviewing a protest against an agency's evaluation of proposals, our Office will not reevaluate offerors' proposals but instead will examine the record to determine whether the agency's judgment was reasonable and consistent with the stated evaluation criteria and applicable procurement statutes and regulations. See Shumaker Trucking & Excavating Contractors, Inc., B-290732, Sept. 25, 2002, 2002 CPD ¶ 169 at 3. A protester's mere disagreement with the agency's judgment in its determination of the relative merit of competing proposals does not establish that the evaluation was unreasonable. VT Griffin Servs., Inc., B-299869.2, Nov. 10, 2008, 2008 CPD ¶ 219 at 4.

In this case, although the agency identified weaknesses in both Aliron's proposal related to recruitment and retention and in DHMS's proposal related to retention, the protester has not shown that the ratings of acceptable for these proposals was unreasonable or inconsistent with the stated evaluation criteria.

The protest is denied.

Lynn H. Gibson  
General Counsel