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Comptroller General
of the United States

United States Government Accountability Office
Washington, DC 20548

Decision

Matter of: Crestridge, Inc.

File: B-295424

Date: February 23, 2005

Richard Morsell for the protester.

Joyce B. Harris-Toukara, Esq., and Mark A. Robbins, Esq., Office of Personnel Management, for the agency.

Sharon L. Larkin, Esq., and James A. Spangenberg, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest of task order award resulting from competition among Federal Supply Schedule vendors is sustained where record does not support agency's conclusion that awardee's quotation is technically superior to the protester's.

DECISION

Crestridge, Inc. protests the award of a task order to District Moving Companies, Inc. dba Precision Office Movers, by the Office of Personnel Management (OPM) under request for quotations (RFQ) No. OPM-RFQ-04-0043KM for furniture moving and assembly services. Crestridge contends that the agency's evaluation and source selection decision were unreasonable and inconsistent with the RFQ's evaluation criteria.¹

We deny the protest in part and sustain it in part.

The RFQ provided for award of a time-and-materials task order to a vendor holding a Federal Supply Schedule (FSS) contract under General Services Administration (GSA) Schedule 71II K for Comprehensive Furniture Management Services. The solicitation stated that the award would be made on a best-value basis, considering

¹ The protester here proceeded pro se and thus did not have access to certain information in the record. Accordingly, our discussion in this decision is necessarily general in order to avoid reference to protected information. Our conclusions, however, are based on our review of the entire record.

technical implementation, experience and past performance, and price, which factors were listed in descending order of importance. The technical implementation factor consisted of two subfactors: “Comprises services and incidental supplies[/]products currently on schedule and available through the FSS Program,” and “Meets or exceeds the Statement of Work requirements.” RFQ at 14-15. The solicitation specified that the period of performance would be from late October 2004 through September 30, 2005, and required that the work be performed between the hours of 6 p.m. and 6 a.m. Monday through Friday, with weekend, holiday, and daytime work to be performed at the direction of the government.

Both District and Crestridge submitted quotations in response to the RFQ. The agency issued questions to both vendors to clarify aspects of their submissions, and both vendors responded with additional information concerning their technical approaches and revised their prices.

After considering revised quotations, the agency found District’s quotation to be technically superior to Crestridge’s, concluding that District’s technical approach better “targeted specific OPM needs” whereas Crestridge’s quotation was “general” in nature, lacked detail about the extent of the available labor pool to accomplish the required services, and did not include specifics about OPM’s needs. Procurement Summary at 3. In this regard, District’s quotation received 34.5 of 40 points for this factor, while Crestridge’s received only 17.5 points.

The agency also found that District’s past performance references, which were all positive, demonstrated more successful performance than Crestridge’s. OPM noted that one of Crestridge’s references indicated organizational difficulties with Crestridge’s management, and another reference indicated that Crestridge had not performed workstation disassembly/assembly work similar to that required by the RFQ. District received 29.5 of 35 points for this factor, and Crestridge received 20 points.

OPM also found District’s quotation to be lower in price than Crestridge’s. Based on the quotation’s technical superiority and lower price, OPM selected District’s quotation for award, and this protest followed.

Crestridge challenges the reasonableness of the agency’s evaluation and source selection decision. Where, as here, an agency solicits FSS vendor responses and uses an evaluation approach like a negotiated procurement to evaluate quotations, our Office will review the agency’s actions, if protested, to ensure that the evaluation is fair and reasonable, and consistent with the terms of the solicitation. COMARK Fed. Sys., B-278343, B-278343.2, Jan. 20, 1998, 98-1 CPD ¶ 34 at 5.

The protester first challenges the agency’s price evaluation. In performing this evaluation, the agency multiplied each vendor’s stated overtime labor rates by the estimated number of hours from the government estimate for each quoted position,

and from these calculations determined that District's price, which was calculated to be \$206,046, was lower than Crestridge's calculated price of \$282,625 by \$87,354. Procurement Summary at 5; Price Analysis, attach. 1. Crestridge complains that these calculations were inconsistent with the RFQ's evaluation criteria and that the only "fair" way of comparing quotations is to use an average of the labor rates for all labor categories over all of the work areas. On this basis, it contends that its quotation is less expensive than District's.

The RFQ requested estimated hours and labor rates from the vendors, and the agency then evaluated the vendors' proposals based on the government's estimated hours and the vendors' applicable wage rates for overtime work. The protester objects to both of these elements, but we conclude that its challenge lacks merit. First, while the protester asserts that the overtime rates should not have been used in the evaluation, the solicitation required that work be performed during the evening and night hours when overtime rates are typically paid.² Second, the protester has not shown the government estimate of the number of hours needed to perform the work is erroneous. While Crestridge claims that the government estimate is inflated, and therefore flawed, we note that even if this were so, the fact is that, contrary to Crestridge's belief, District's rates for the labor categories to be used on this contract were lower than Crestridge's, such that District's evaluated price would still be lower, even if the government's labor estimate were inflated.³ Also, while Crestridge notes that District did not propose the labor category of furniture installers as Crestridge did, the record shows that District intended to use movers to perform this function, whose labor rates OPM used in the price evaluation; Crestridge has not shown that this aspect of the evaluation was erroneous. In sum, Crestridge has not shown that the price evaluation was unreasonable.

Crestridge also protests the agency's evaluation of past performance. In this regard, it contends that the agency unreasonably concluded that one of the firm's "references didn't pertain to the disassembly and reassembly of furniture [because] one of [the references] said we didn't perform those services." Protest at 3. However, the protester concedes that the work performed for this reference did not include workstation disassembly/reassembly (although it had performed this work for one of the other references that OPM was unable to contact), and has not

² At the request of the protester, the agency compared pricing using regular, or straight-time rates, and determined that District's quotation still was less expensive by approximately \$63,045. Price Analysis, attach. 1.

³ While Crestridge apparently believes that District quoted a single, averaged labor rate for all of the positions (which was higher than Crestridge's average labor rate), the record shows that during discussions District provided the agency with specific labor rates for each labor category included in its quotation. Also, contrary to Crestridge's assertion, in its price evaluation, OPM used the rates Crestridge quoted.

rebutted another reference's observations concerning the organizational difficulties with Crestridge's management. Thus, Crestridge has not shown that the agency's evaluation under this factor was unreasonable.

Crestridge finally contends that the agency's technical evaluation was unreasonable and that its quotation was technically superior to District's. Based on our review of the record, we agree that the technical evaluation was flawed. The record simply does not support the agency's conclusion that Crestridge's quotation was technically inferior to District's under the technical implementation factor (much less significantly technically inferior, as indicated by the evaluation point scores for the quotations under this factor). For example, the agency asserts that Crestridge's quotation was too general and lacked detail about the firm's technical approach, and provided insufficient detail to determine the extent of available labor to accomplish the required services. Procurement Summary at 3. However, the record shows that Crestridge's quotation was more detailed than District's (and twice as lengthy) regarding the services to be provided and labor hours proposed, and Crestridge provided more detailed information than District about the personnel proposed to perform the work. Moreover, in many instances where Crestridge was criticized for not providing specific information--such as specifics concerning its project schedule, and "proof" that its personnel were "certified" or professionally trained--a review of District's quotation shows that this firm also did not provide the information but was not similarly downgraded.⁴

In sum, based on the record, we find the agency's technical evaluation to be unreasonable, and given the predominant weight of the technical evaluation in the evaluation, we conclude that there is a reasonable possibility that this error prejudiced the protester.

We recommend that the agency reevaluate quotations, hold discussions if appropriate,⁵ and make a new source selection decision. We also recommend that

⁴ The agency also criticized Crestridge's quotation for lacking familiarity with the RFQ's requirements, based on certain statements in Crestridge's initial quotation concerning, for example, the time of day when performance would occur. However, Crestridge clarified its statement when it responded to a question from the agency during discussions on this issue.

⁵ Crestridge also complains that the agency failed to hold discussions with it concerning the weaknesses identified in its quotation, and that discussions were unequal and unfair. We need not address this issue because, on reevaluation, the agency may find that Crestridge's quotation does not contain any weaknesses for which discussions are required and is otherwise superior to District's. However, if the agency identifies significant weaknesses in vendors' quotations, it should hold discussions in a manner that is equitable and fair. See TDS, Inc., B-292674, Nov. 12, 2003, 2003 CPD ¶ 204 at 6 n.3.

the protester be reimbursed the costs of filing and pursuing the protest, including reasonable attorney's fees. 4 C.F.R. § 21.8(d) (2004). The protester should submit its certified claim for such costs, detailing the time expended and costs incurred, directly to the agency within 60 days of receipt of this decision. 4 C.F.R. § 21.8 (f)(1).

The protest is denied in part and sustained in part.

Anthony H. Gamboa
General Counsel