



GAO

Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

Comptroller General
of the United States

DOCUMENT FOR PUBLIC RELEASE

The decision issued on the date below was subject to a GAO Protective Order. This redacted version has been approved for public release.

Decision

Matter of: RVJ International, Inc.

File: B-292161; B-292161.2

Date: July 2, 2003

J. Patrick McMahon, Esq., and William T. Welch, Esq., Barton, Baker, McMahon & Tolle, for the protester.

Brett L. Antonides, Esq., for McDonald Bradley, Inc., an intervenor.

Kenneth M. Hyde, Esq., Department of Housing & Urban Development, 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

1. Agency reasonably downgraded protester's quotation under staffing/resources subfactor where technical submission failed to demonstrate positions and skill levels for six of seven areas of performance.
2. Agency reasonably downgraded protester's quotation under key personnel subfactor where the agency was reasonably concerned that the protester's project manager, who was also the company president, would not be able to effectively perform both jobs concurrently.
3. In a procurement involving vendors under the Federal Supply Schedule program, agency gave appropriate weight to price in conducting reasonable comparative analysis of quotations and selecting the higher technically rated, higher-priced vendor for award.
4. There is no requirement for source selection officials to attend oral presentations.

DECISION

RVJ International, Inc. protests the award of a blanket purchase agreement (BPA) and task order to McDonald Bradley, Inc. under request for quotation (RFQ) No. R-OPC-22294, issued by the Department of Housing & Urban Development (HUD) under the Federal Supply Schedule (FSS) program, to provide computer help desk services to HUD's Office of Multifamily Housing. RVJ challenges the agency's

evaluation and contends that there were improprieties in the conduct of the oral presentation.

We deny the protests.

HUD is responsible for the oversight and management of programs to provide affordable rental housing to low and moderate income households. The programs collectively are known as “Multifamily Housing Programs.” To support these programs, HUD maintains a number of computerized systems and databases to process data. These systems include the Tenant Rental Assistance Certification System (TRACS), the Active Partner Performance System (APPS), the Multifamily Delinquency and Default Reporting System (MDDR), the Data Quality Information System (DQIS), the Mark-to-Market System (M2M), the Real Estate Management System (REMS), and the Development Application Processing System (DAP). Each system provides a separate data processing function relating to the Multi-Family Housing Programs.¹

To assist participants with using each of the computerized systems, HUD currently provides computer help desk services through a variety of vendors under separate contracting arrangements. Under one such arrangement, RVJ has been providing help desk services for the TRACS since 1997. To “improve continuity of support and services” and to provide “a more efficient and streamlined process for responding and assisting Multifamily Housing customers and users with their inquiries,” HUD desires to consolidate and integrate the help desk services for the seven systems, and make award to a single contractor. Contracting Officer’s Statement ¶ 4.

On August 30, 2002, HUD issued the RFQ, which seeks to procure the services from a General Services Administration (GSA) schedule contractor in accordance with Federal Acquisition Regulation (FAR) Subpart 8.4. The RFQ provides for “a single award Firm-Fixed Price . . . Indefinite-Quantity contract, to also include the award of Task Order No. 1,” with a period of performance under the contract (including all task orders) of 53 months; the minimum and maximum contract values are \$352,000

¹ TRACS is an integrated, automated program management and accounting system. APPS maintains data history for program participants. MDDR facilitates the lender’s ability to submit delinquency, default, election to assign, and related loan information to the government via the Internet. DQIS provides a mechanism to evaluate and report on data quality. M2M is a portfolio reengineering program developed to restructure the Federal Housing Authority-insured or HUD-held mortgages for certain Section 8 subsidized properties. REMS is the Office of Multifamily Housing’s official source of data for its portfolio of insured and subsidized properties. DAP is a comprehensive automated underwriting system that supports the processing and tracking of Multifamily Housing loan applications. Agency Report (AR), Tab 12, Summary of Procurement Action, at 2-3.

and \$4.9 million, respectively. RFQ at 1. Enclosed with the RFQ was a detailed performance work statement (PWS), which discusses each computer system individually and describes in detail the support services required. Also enclosed were instructions for quotation preparation and evaluation factors for award.

The RFQ states that award would be made to the vendor who “represents the best value to the Government,” and lists four technical factors that it states are of equal importance: technical capability, project management, past performance, and personnel. The RFQ also identifies price as an evaluation factor, but does not identify its relative importance. RFQ, encl. 4, Evaluation Factors for Award.

The personnel factor has two subfactors, staffing/resources and key personnel. For staffing/resources, the RFQ required that vendors

[d]emonstrate that the proposed manning/personnel skill levels, and experience are adequate to perform the work required by this [PWS]. The proposal shall identify the number of people and requisite skill level mix for all periods of performance including the transition phase.

For key personnel (which include the project manager and task leader), vendors were to provide, among other things, information concerning “the availability and existing commitments” of its key personnel; the RFQ states that this information “will be evaluated to assure . . . time and availability for the project.” Id. at 3.

Vendors were instructed to provide both a technical and price submission in response to the RFQ, and include with their price submissions a copy of their GSA schedule contract. Id. at 1, 4. In their submissions, vendors were to “demonstrate your understanding of the requirement and your ability to successfully complete the effort as stated in the [PWS] by addressing the evaluation factors shown in this [RFQ].” Id. at 1.

The RFQ also required vendors to make an oral presentation to HUD to further explain their quotations. According to the RFQ, “[t]he oral presentation format will be 1 hour followed by a 30-minute questions and answers session . . . You will be expected to address your approach and initiatives for the successful completion of the effort.” RFQ at 2.

Seven vendors, including RVJ and McDonald Bradley, submitted quotations in response to the RFQ by the September 11 closing date. Oral presentations were conducted on September 24 and 25. The technical evaluation team (TET) evaluated each offeror’s response—including the technical and price submissions, and oral

presentation—and assigned the following adjectival ratings:²

Evaluation Factor	McDonald Bradley	RVJ
Technical Capability	Outstanding	Satisfactory
Project Management	Outstanding	Satisfactory
Past Performance	Good	Satisfactory
Personnel:		
(a) Staffing/resources	Good	Unacceptable
(b) Key personnel	Good	Unacceptable
Price	\$ 3,321,149	\$ 2,876,757

AR, Tab 11, TET Report, at 2, 21.

RVJ was ranked fourth overall technically and submitted the second lowest price. McDonald Bradley received the highest technical ranking and submitted the third lowest price. After comparing the vendors’ technical and price submissions and considering the oral presentations, the TET determined that McDonald Bradley’s quotation presented the best value because, with a price that “is on the low end,” its quotation still “presented a clear, concise and comprehensive response” to the RFQ that included “exceptional strengths in technical capabilities and management” and proposed key personnel and a staffing mix that the TET found was “realistic for the successful completion of this requirement.” AR, Tab 11, TET Report, at 27.

In contrast, the TET found that, while RVJ’s price was slightly lower, RVJ’s quotation did not present a clear, detailed, integrated approach to consolidating calls, which the TET concluded posed a risk to meeting performance and reporting requirements of the PWS. Additionally, RVJ’s quotation “demonstrated a shallow understanding of the requirements and approach needed to meet the performance or capability standards of the key personnel factor.” Id. at 28.

Specifically concerning staffing/resources, the TET found that, although RVJ’s quotation provided sufficient detail concerning the TRACS system, it failed to identify either the number of workers or requisite skill levels for the remaining six programs. “Therefore, because RVJ’s proposal did not address the APPS, MDDR, DQIS, M2M, REMS, and DAP systems as required by this evaluation sub-factor, the TET was unable to determine whether or not RVJ had demonstrated an adequate plan for completing these portions of the PWS.” Id. at 12-13.

With respect to key personnel, the TET expressed “concern[]” that RVJ’s proposed project manager, who is also the company’s president, “would not be able to provide

² The possible adjectival ratings were outstanding, good, satisfactory, or unacceptable.

the necessary dedication, management, and oversight to ensure successful performance” of the contract because, the TET believed, the individual’s “enormous” obligations as president were likely to interfere with his ability to effectively concentrate on concurrently performing the project management duties. Although the TET report viewed the qualifications of RVJ’s key personnel to be “acceptable,” it identified availability of the project manager as a “potential risk factor.” AR, Tab 11, TET Report, at 13.

The TET recommended award to McDonald Bradley. This recommendation was adopted by the source selection official. On March 25, 2003, award was made to McDonald Bradley.

RVJ filed a protest on April 7 challenging the agency’s technical evaluation as well as the price/technical tradeoff. On April 17, RVJ filed a supplemental protest challenging the conduct of the oral presentations.

The FSS program gives federal agencies a streamlined process for obtaining commonly used goods and services. FAR § 8.401(a). Those provisions anticipate agencies reviewing vendors’ FSS schedules—in effect their catalogs—and then placing an order directly with the schedule contractor that can provide the supply or services that represent the best value and meets the government’s needs. FAR § 8.404(b)(2); Digital Sys. Group, Inc., B-286931, B-286931.2, Mar. 7, 2001, 2001 CPD ¶ 50 at 6. Although the provisions of FAR Part 15 do not directly apply to FSS purchases, where, as here, an agency uses vendors’ responses as the basis for a detailed technical evaluation and price/technical tradeoff, which is like a competition in a negotiated procurement, we will review the agency’s actions to ensure that the evaluation was reasonable and consistent with the terms of the solicitation. Digital Sys. Group, Inc., *supra*.

RVJ challenges its unacceptable rating under the staffing/resources subfactor, complaining that the agency’s criticism that RVJ failed to identify the skill levels or personnel categories for six of the seven computer systems is unfounded.

As noted above, the RFQ, which encompassed seven computer systems, required vendors to “identify the number of people and requisite skill level mix for all periods of performance.” RFQ, encl. 4, Evaluation Factors for Award, at 3. Under its proposed “Draft Management Plan” (submitted as part of RVJ’s technical submission), RVJ provided a matrix identifying the number of personnel ([REDACTED]) and labor category (“T[echnical] S[upport] Operators”) for the TRACS, but left blank the labor categories of the other six systems and identified the number of persons as either “1/2” or “1/3.” Above the matrix, RVJ discussed the “trained and experienced Technical Support Operators on site and ready to support” the TRACS, but for the remaining systems stated that “[f]uture staffing levels will be developed with HUD managers and will be based on several factors.” AR, Tab 4, RVJ Technical Submission, Draft Management Plan, at 3. Furthermore, under the section

of its technical submission devoted to the personnel factor, RVJ generally refers to “Sr. Technical Support Operator positions” and “[o]ther positions,” but not in the context of any specific system, and states that “[w]e are confident that our standard recruiting efforts, together with internal posting by RVJ, will provide sufficient candidates to fully and appropriately staff this contract.” AR, Tab 4, RVJ Technical Submission, at 19. Additionally, and consistent with its technical submission, RVJ presented slides to the agency during its oral presentation, which refer to specific positions only for the TRACS and state that “Future Staffing levels will be developed with HUD Managers based on several factors including” salary level, percentage of requests assigned to each “Tier Level,” and the number of requests received for each system. RVJ Oral Presentation Slides at 30.

In our view, RVJ was required to provide in its technical submission the skill mixes for all seven of the computer systems, not just the TRACS. RVJ’s failure to identify either the position title or the skill mix for six of the seven computer systems (as contrasted with the specific information provided for the TRACS), coupled with its vague assertions that it would determine staffing at a later date, reasonably support the agency’s determination to downgrade RVJ’s quotation under this subfactor. It is a vendor’s burden to submit an adequately written quotation in response to an RFQ, and it runs the risk that its quotation will be evaluated unfavorably where it fails to do so. Godwin Corp., B-290291, June 17, 2002, 2002 CPD ¶ 103 at 4.

RVJ argues, however, that the agency unjustifiably downgraded its quotation because the information omitted from the technical submission appears in the price submission. According to RVJ, section B of its price submission identifies labor categories (either “Technical Support Operator I” or “Technical Support Operator II”) for each of the seven systems. Another section of the price submission, titled “Other Personnel,” explains that the Technical Support Operator positions are equivalent to the “Computer Operator I” and “Computer Operator II” labor categories identified in RVJ’s GSA schedule. RVJ’s GSA schedule, in turn, provides the “minimum/general experience,” “functional responsibility,” and “minimum education” for the Computer Operator positions. From these collective sources, RVJ contends, the required information to evaluate its staffing approach could have been gleaned.

We are not persuaded by the protester’s arguments. In our view, the agency was not required to ignore countervailing statements in RVJ’s technical submission and oral presentation, from which it appears that RVJ had yet to ascertain specific positions for six of the seven systems, and rely instead on information provided in the price submission. Given the vendor’s burden to submit a clear and adequately written quotation, we cannot find the agency’s conclusions regarding RVJ’s staffing deficiencies to be unreasonable.

RVJ also protests the agency's conclusions regarding its project manager under the key personnel subfactor.³ In this regard, the agency rated RVJ's quotation unacceptable because of a concern that the identified project manager, who was also the company's president, would not be able to function effectively in both roles. RVJ contends that the agency's criticism is inconsistent with the fact that its project manager is currently performing both positions under RVJ's incumbent contract for the TRACS, without any complaint from the agency.⁴ The agency argues, however, that this effort is of a much greater magnitude and complexity than RVJ is currently performing, given that there are six additional systems to support. While RVJ counters that the TRACS is, by far, the largest portion of the effort, this does not mean that the agency's concerns are unwarranted. For example, the government estimate contemplates that the project manager will work nearly double the hours ([REDACTED]) identified by RVJ ([REDACTED]) in its quotation and RVJ concedes that this is "comparable to the time spent on the previous TRACS contract"; yet RVJ's quotation does not appear to include any hours for managing the six other systems. See Protester's Comments at 5. Thus, based upon the record, the agency's concern that the project manager will not be sufficiently available to support the entire effort was reasonable.

RVJ next protests that the agency failed to give adequate weight to the price factor and failed to conduct a proper price/technical tradeoff. These allegations are primarily based on its belief that the agency's documentation is insufficient and unreasoned, suggesting that the agency gave no meaningful consideration of price versus the technical merits of vendors' quotations.

As noted above, the RFQ does not identify the weight accorded the price factor; but the agency agrees with RVJ that price was of equal importance to the technical factors, and we find no evidence in the record to suggest that a lesser weight was

³ RVJ's allegation that the agency failed to evaluate the task leader, as required under the RFQ, is not supported by the record.

⁴ RVJ also contends that the agency's conclusion is inconsistent with the TET's statement that the key personnel were "acceptable." However, as the agency reasonably explains, this statement referred to the agency's conclusion that the key personnel were acceptably qualified, not that they were adequately available. Similarly, RVJ argues that the agency's criticisms of its project manager under the personnel factor is inconsistent with the satisfactory rating it received under the project management factor. We find no inconsistency, however, because the agency was considering different qualitative aspects of the quotation under the project management factor, which did not include consideration of the availability of key personnel, which was under the personnel factor.

applied.⁵ Although RVJ contends that documentation of the price/technical tradeoff was inadequate, the record shows a detailed analysis of the strengths and weaknesses of the quotations, and, as discussed above, that the agency reasonably concluded that McDonald Bradley's higher technically rated, higher-priced quotation provides the agency with the best value and greater assurances of successful completion of the project, particularly given the deficiencies in RVJ's lower priced, but technically inferior quotation.

Finally, RVJ complains of irregularities in the conduct of the oral presentations. For example, RVJ contends that the contracting officer, who signed the Summary of Procurement Action, did not attend all of RVJ's oral presentation.⁶ However, we are unaware of any requirement that a source selection official attend the presentation. John Carlo, Inc., B-289202, Jan. 23, 2002, 2002 CPD ¶ 23 at 8 n.3. While RVJ also complains that its oral presentation was not adequately considered, as noted in the TET Report, the evaluators fully considered the vendors' oral presentations, AR, Tab 12, TET Report, at 1, and in any event, RVJ has not explained how further consideration of its oral presentation would have had any effect on the award decision.⁷

The protests are denied.

Anthony H. Gamboa
General Counsel

⁵ Where, as here, a solicitation indicates that price will be considered, but assigns it no specific weight relative to technical factors, price and technical considerations will be considered approximately equal in weight. Associates In Rural Dev., Inc., B-238402, May 23, 1990, 90-1 CPD ¶ 495 at 3.

⁶ RVJ also contends, based upon the oral presentation attendance sheets, that one of the evaluators did not attend its oral presentation. However, this evaluator submitted a declaration to our Office stating that she did attend RVJ's oral presentation, but inadvertently failed to sign the attendance sheet.

⁷ As noted above, RVJ's oral presentation appears to confirm the agency's belief that RVJ had yet to ascertain the positions for six of the seven computer systems.