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**Comptroller General
of the United States**

**United States General Accounting Office
Washington, DC 20548**

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Decision

Matter of: Planning Systems, Inc.

File: B-292312

Date: July 29, 2003

John R. Tolle, Esq., and William T. Welch, Esq., Barton, Baker, McMahon & Tolle, for the protester.

Thomas P. Humphrey, Esq., and J. Chris Haile, Esq., Crowell & Moring, and Todd Hutchen, Esq., International Business Machines Corporation, for the intervenor.

David H. Turner, Esq., Department of the Navy, for the agency.

Glenn G. Wolcott, Esq., and Michael R. Golden, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Agency reasonably selected awardee's proposal as representing the best value to the government where awardee's technical proposal was properly evaluated as being superior to protester's proposal on the basis of evaluated strengths related to awardee's technical approach, corporate experience, and past performance, and awardee's proposed cost/price was lower than protester's proposed cost/price.

DECISION

Planning Systems, Inc. (PSI) protests the Department of the Navy's award of a contract to International Business Machines Business Consulting Services (IBM) pursuant to request for proposals (RFP) No. N00140-03-R-L803 to perform various information technology support services at Portsmouth Naval Shipyard, Portsmouth, New Hampshire. PSI protests that the agency improperly rated IBM's proposal as technically superior to PSI's proposal, and that the agency failed to perform a proper cost realism analysis.

We deny the protest.

BACKGROUND

The RFP was published on November 22, 2002, seeking proposals to provide system maintenance and resources to design, develop and implement improvements to an

enterprise information system at the U.S. Navy Submarine Maintenance Engineering Planning and Procurement Activity, Portsmouth, New Hampshire.¹ Agency Report, Tab 1, RFP, at 14. The RFP contemplated award of a cost plus fixed fee contract for a 1-year base period and four 1-year option periods, required offerors to submit separate technical and cost/price proposals, and established the following technical evaluation factors, listed in descending order of importance: technical approach, personnel resources, management plan approach, corporate experience, past performance,² and participation of small businesses and small disadvantaged business entities.³ Offerors were advised that the combined technical evaluation factors were more important than cost/price. Agency Report, Tab 1, RFP, at 59. With regard to cost/price proposals, offerors were required to propose, for each contract period, a “complete and detailed price/cost breakdown,” including “labor rates and hours, burden rates, material lists and costs, travel charges, and ‘other direct costs.’” Agency Report, Tab 1, RFP at 58.

Four proposals, including those of PSI and IBM, were submitted by the January 31, 2003 closing date. The agency evaluated each proposal and established a competitive range consisting of three proposals, including those of PSI and IBM; thereafter, discussions were conducted with the competitive range offerors and those offerors were invited to submit final revised proposals (FRP).

¹ The services to be provided include relational database administration support, object oriented analysis and design, maintenance of an information system architecture and network, programming, business analysis and system analysis, design, information assurance, communications, programming and development services. Agency Report, Tab 1, RFP, at 14. The project will result in, among other things, “a single Business process for assigning maintenance and execution information to [a] ship’s configuration data supported by a single information system,” and “[a] single database/data warehouse for material, job completion, and cost feedback information.” Agency Report, Tab 1, RFP, at 15.

² Corporate experience and past performance were of equal importance. Agency Report, Tab 1, RFP, at 59.

³ Specifically, the RFP provided for consideration of the extent to which a proposal contemplated participation of small businesses, small disadvantaged businesses, women-owned small businesses, historically black colleges/universities and minority institutions. Agency Report, Tab 1, RFP, at 59.

Each competitive range offeror timely submitted its FPR, and these submissions were subsequently evaluated.⁴ The final technical evaluation results with regard to PSI's and IBM's proposals were as follows:⁵

	IBM	PSI
Technical Approach	[deleted]	[deleted]
Personnel Resources	[deleted]	[deleted]
Management Plan Approach	[deleted]	[deleted]
Corporate Experience	[deleted]	[deleted]
Past Performance	[deleted]	[deleted]
Small/Disadvantaged Business Participation	[deleted]	[deleted]
Overall Rating	[deleted]	[deleted]

Agency Report, Contracting Officers Statement, at 13.

With regard to the technical approach evaluation factor, the RFP provided: “The offeror shall submit a technical approach in detail, which demonstrates how the offeror will successfully perform the statement of work (SOW). . . . Unique methods for technically resolving problems identified under the SOW are encouraged” Agency Report, Tab 1, RFP, at 55. In evaluating IBM's proposed technical approach as [deleted] the agency identified various strengths including: use of rapid application development/joint application development (RAD/JAD) techniques;⁶

⁴ The proposal of the third competitive range offeror is not relevant to any of the protest issues and, accordingly, is not further discussed.

⁵ In evaluating technical proposals, the agency used an adjectival rating system using the terms “highly acceptable,” “acceptable,” “unacceptable [but capable of being made acceptable],” and “unacceptable [not capable of being made acceptable without extensive changes].” Agency Report, Contracting Officer's Statement, at 10. Only the “highly acceptable” and “acceptable” ratings were used with regard to IBM's and PSI's FPRs. “Highly acceptable” was defined, in part, as “meets and exceeds the desired performance and the excess is beneficial to the Navy.” *Id.* “Acceptable” was defined, in part, as “meets all of the requirements specified in the RFP.” *Id.*

⁶ The agency explains that RAD/JAD techniques reflect a proven methodology that accelerates application development and reduces risk by compressing the analysis, (continued...)

implementation of the Navy Web Portal; and a proposed staffing plan that relied on readily available existing corporate resources. Agency Report, Contracting Officer's Statement, at 14-17. In contrast, PSI's proposal was rated as [deleted] with regard to technical approach on the basis that [deleted]. Agency Report, Contracting Officer's Statement, at 17.

With regard to the next evaluation factor, personnel resources, the RFP required offerors to provide one resume for each of five specified labor categories,⁷ and stated: "Each labor category is equal to a subfactor and . . . are of equal importance." Agency Report, Tab 1, RFP, at 56. Both IBM's and PSI's proposals were evaluated as [deleted] with regard to personnel resources on the basis of the agency's assessment that each proposal offered [deleted] resumes in [deleted] of the labor categories and [deleted] resumes in the remaining [deleted] categories. Agency Report, Contracting Officer's Statement, at 17-21.

With regard to the next evaluation factor, corporate experience, the RFP provided that proposals "shall describe similar or directly related work experience within the past five years of similar scope, magnitude or complexity to that detailed in the SOW." Agency Report, Tab 1, RFP, at 57. In evaluating IBM's corporate experience as [deleted], the agency noted that the projects identified in IBM's proposal were "directly related to the requirements of the statement of work, [and] in fact are many of the applications that we must interface with." Agency Report, Tab 20, at 29. For example, the agency specifically referred to IBM's corporate experience with the Navy Enterprise Maintenance Automated Information System, the Navy/Marine Corps Internet, and the Navy Enterprise Portal, concluding "[t]his experience will allow for faster, better solutions based on their extensive knowledge of the major Navy initiatives." *Id.* Although PSI's proposal was evaluated [deleted], its [deleted] was not considered [deleted]; more specifically, the agency found that PSI's [deleted] regarding [deleted] prevented it from attaining a [deleted] rating for corporate experience. Agency Report, Contracting Officer's Statement, at 25-26.

With regard to past performance, the RFP directed offerors to provide points of contact concerning similar or directly related contracts on which the offeror has performed during the last 5 years. In rating IBM's past performance as [deleted], the agency noted that IBM's proposal identified "six projects of directly related scope,

(...continued)

design, build and test phases into a series of short, iterative development cycles. Agency Report, Tab 34, at 2.

⁷ The specified labor categories were: project manager; senior database administrator/database specialist; senior systems architect/programmer analyst III; senior programmer analyst/database programmer II; and network specialist. Agency Report, Tab 1, RFP at 56.

magnitude and complexity as required under the SOW and three larger, more complex projects,” that IBM’s past performance was rated as [deleted], and that IBM had demonstrated a [deleted]. Agency Report, Contracting Officer’s Statement, at 26. In contrast, PSI’s past performance was rated as [deleted], based on, among other things, [deleted]. Agency Report, Contracting Officer’s Statement, at 26-27.

Overall, the agency rated IBM’s technical proposal as [deleted] based on having received [deleted] ratings in four of the six evaluation factors; in contrast, PSI’s technical proposal received an overall rating of [deleted] based on having received [deleted] ratings in [deleted] of the six evaluation factors.

With regard to cost/price, IBM’s final proposed cost/price (\$24,994,674) was approximately [deleted] lower than PSI’s ([deleted]). In evaluating cost/price, the agency requested and received rate information from the Defense Contract Audit Agency (DCAA). Based on DCAA’s verification of IBM’s proposed rates, the agency found IBM’s proposed cost/price to be reasonable and realistic. Agency Report, Tab 24, at 9. In contrast, DCAA’s review of PSI’s rates revealed that [deleted]. Agency Report, Tab 24, at 10. Additionally, PSI’s final proposed cost/price reflected [deleted], yet PSI’s FPR provided nothing [deleted] indicating that [deleted].⁸ Accordingly, in evaluating PSI’s FPR for cost realism, the agency increased its proposed cost/price from [deleted] to [deleted].

Based on IBM’s superior technical proposal and lower evaluated cost/price, the agency selected IBM’s proposal for award. Agency Report, Tab 24. In reaching this decision, the source selection official noted that, even if PSI’s proposed cost/price had not been increased for cost realism purposes, its proposed cost/price was still higher than IBM’s. Agency Report, Tab 24, at 7. Thereafter, PSI was notified of the agency’s source selection decision; this protest followed.

DISCUSSION

PSI’s first protests that it was unreasonable for the agency to evaluate IBM’s technical proposal as being superior to PSI’s, asserting that “PSI is the incumbent contractor,” and “based upon [PSI’s] knowledge of the work . . . PSI’s proposal should have been rated higher.” Protest at 3, 4.

The agency disagrees with PSI’s characterization of its status as the “incumbent contractor.” Specifically, in responding to PSI’s protest, the agency provided a table with a detailed breakdown of the solicitation requirements showing that PSI has not previously been involved in performing [deleted] percent of the solicitation requirements. Agency Report, Contracting Officer’s Statement, at 25. PSI has not

⁸ In connection with PSI’s initial proposal, [deleted] had submitted a [deleted] asking that [deleted]. Agency Report, Tab 24, at 10.

disputed this information in any way. In any event, the agency states that it performed a detailed and documented evaluation of both offerors' proposals and, as discussed above, determined that IBM's proposal was superior to PSI's with regard to [deleted].

In its comments responding to the agency report, PSI continues to assert that its proposal should have been rated technically superior to IBM's; however, PSI offers virtually no support for this assertion.⁹ For example, in its comments, PSI asserts that its proposal contained the same types of features and innovations that warranted evaluated strengths in IBM's proposal, yet PSI fails to identify a single example supporting this assertion. PSI Comments on Agency Report, June 23, 2003, at 2. Similarly, PSI's comments assert that "PSI's proposal should have been rated higher than IBM's because the five personnel that it proposed had superior qualifications to those that IBM proposed." *Id.* Again, PSI offers absolutely nothing to explain or support this conclusory assertion.

In reviewing protests against allegedly improper evaluations, it is not our role to reevaluate proposals. Rather, our Office examines the record to determine whether the agency's judgment was reasonable and in accord with the RFP criteria. Abt Assocs., Inc., B-237060.2, Feb. 26, 1990, 90-1 CPD ¶ 223 at 4. The protester bears the burden of proving that an evaluation was unreasonable, and mere disagreement with the agency does not render the evaluation unreasonable. Ogden Support Servs., Inc., B-270354.2, Oct. 29, 1996, 97-1 CPD ¶ 135 at 3.

Based on the record here, as discussed above, and considering PSI's failure to identify any specific error in the agency's evaluation of technical proposals, we find no merit in PSI's protest that the agency unreasonably evaluated IBM's technical proposal as being superior to PSI's.

PSI's protest also challenged the agency's determination that IBM's proposed cost/price was reasonable and realistic, complaining that IBM had unrealistically proposed a higher cost/price for the first year of contract performance than it proposed for succeeding years. Protest at 4. The agency report responded to this issue, explaining that IBM's proposed cost/price for the initial period of contract performance included various start-up costs which would not be incurred during subsequent contract periods. Agency Report, Contracting Officer's Statement, at 35. In PSI's comments responding to the agency report, PSI failed to discuss the agency's evaluation of IBM's cost/price in any way. Accordingly, we view PSI as having abandoned this issue, and we will not further address the matter. Datum Timing, Div. of Datum Inc., B-254493, Dec. 17, 1993, 93-2 CPD ¶ 328 at 5.

⁹ PSI's entire comments on the agency report consist of a four-page submission, much of which repeats background information and assertions that PSI presented in its protest.

Finally, PSI protested that it was improper for the agency to have increased PSI's proposed cost/price for cost realism purposes. We need not resolve this issue. As discussed above, the agency reasonably evaluated IBM's proposal as being technically superior to PSI's proposal. Further, as also noted above, PSI's proposed cost/price was higher than IBM's. Thus, even if the agency had accepted PSI's proposed cost/price for cost evaluation purposes, IBM's proposal would have been properly selected for award on the basis that it was the technically superior proposal offering the lower cost/price. On this record, PSI's protest is without merit.

The protest is denied.

Anthony H. Gamboa
General Counsel