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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: SOURCECORP BPS Inc.

File: B-406792

Date: August 24, 2012

Albert B. Krachman, Esq., Lucas T. Hanback, Esq., and Brian S. Gocial, Esq., Blank Rome LLP, for the protester.

Beth Sturgess, Esq., Mark Allen, Esq., Eric Crane, Esq., and Barbara Walthers, Esq., Department of Homeland Security, for the agency.

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

DIGEST

Challenge to the elimination of the protester's quotation from the competition is denied where the agency reasonably concluded that the quotation was technically unacceptable.

DECISION

SOURCECORP BPS Inc., of Dallas, Texas, protests the elimination of its quotation from the competitive range by the Department of Homeland Security (DHS), U.S. Citizenship and Immigration Services (USCIS), under request for quotations (RFQ) No. HSSCCG-12-Q-00106 for digitization services. The protester argues that the agency unreasonably found its quotation technically unacceptable.

We deny the protest.

BACKGROUND

The RFQ was issued on January 26, 2012, and was limited to offerors who have contracts under General Services Administration Federal Supply Schedule (FSS) No. 36, special item No. 51-506. The contractor will be required to provide support for the digitization of immigration files, records, and supporting materials. The services include the transportation, disassembly, preparation, indexing, scanning and electronic storing of physical files, as well as the reassembly of the physical files for shipment and final disposition.

The RFQ anticipated award of a task order with a term of 1 year with two 1-year options. Vendors were required to propose a per-image price, which included all other costs such as facility costs, transportation, labor, and profit. The RFQ advised vendors that quotations would be evaluated on the basis of the following factors, listed in descending order of importance: (1) technical capability, (2) socioeconomic status,¹ (3) past performance, and (4) price. RFQ amend. 2 at 84-86. The technical capability factor had three subfactors, listed in descending order of importance: (1) operational approach, (2) management approach, and (3) corporate experience. Id. at 84.

DHS received quotations from seven vendors, including SOURCECORP, by the closing date of February 17. The agency evaluated the initial quotations, and did not conduct discussions. The evaluation ratings for the vendors' quotations were as follows:²

	SOURCECORP	VENDOR 2	VENDOR 3	VENDOR 4	VENDOR 5	VENDOR 6
TECHNICAL CAPABILITY	U	[deleted]	[deleted]	[deleted]	[deleted]	[deleted]
Operational Approach	U	[deleted]	[deleted]	[deleted]	[deleted]	[deleted]
Management Approach	U	[deleted]	[deleted]	[deleted]	[deleted]	[deleted]
Corporate Experience	A	[deleted]	[deleted]	[deleted]	[deleted]	[deleted]
SOCIOECONOMIC STATUS	E	[deleted]	[deleted]	[deleted]	[deleted]	[deleted]
PAST PERFORMANCE	O	[deleted]	[deleted]	[deleted]	[deleted]	[deleted]
EVALUATED PRICE	\$21.6M	[deleted]	[deleted]	[deleted]	[deleted]	[deleted]

AR, Tab 8, Competitive Range Decision, at 2.

¹ The RFQ advised that a "preference" would be given to a vendor that is a small business, performs the contract in a Historically Underutilized Business Zone (HUBZone), or subcontracts 20 percent of the order to a HUBZone small business. RFQ at 85.

² The agency used the following ratings: for the technical capability factor--outstanding (O), good (G), acceptable (A), and unacceptable (U); for the socioeconomic status factor--excellent (E) and fair (F); for past performance--low risk/outstanding (O), medium risk/acceptable (A), high risk/unacceptable (U), and neutral (N). AR, Tab 4, Evaluation Plan, at 7-9.

With regard to SOURCECORP's quotation, the contracting officer (CO) found as follows:

The proposal contains a deficiency and several weaknesses; fails to reflect the scope of work necessary to perform the required tasks; and fails to provide a reasonable, logical approach to fulfilling much of the Government's requirements. The Offeror received an "unacceptable[" rating in the Operational Approach and Management Approach leading [to] the overall rating of "Unacceptable."

Id. at 4.

Based on his analysis of the evaluation results, the CO concluded that "exchanges [deleted] are necessary with [Vendor 4] and [Vendor 3], and exchanges with [Vendor 2] are necessary [deleted]." Id. With regard to the other vendors, the CO concluded that the "[Vendor 6], [Vendor 5], and Sourcecorp BPS quotes would required a major revision to be competitive even considering their price." Id.

On May 16, DHS advised SOURCECORP that its quotation had been eliminated from the competition. This protest followed.

DISCUSSION

SOURCECORP argues that DHS unreasonably eliminated its quotation from award consideration. Specifically, the protester argues that the agency unreasonably rated its quotation as unacceptable under the management approach and operational approach subfactors of the technical capability evaluation factor. The protester also contends that the agency should have provided the protester with an opportunity to clarify errors in its quotation. For the reasons discussed below, we find no basis to sustain the protest.

The evaluation of an offeror's proposal or quotation is a matter within the agency's discretion. Ball Aerospace & Techs. Corp., B-402148, Jan. 25, 2010, 2010 CPD ¶ 37 at 9. 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 reviewing a protest against an agency's evaluation of proposals, our Office will not reevaluate 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.

Management Approach Subfactor

SOURCECORP challenges DHS's assignment of an unacceptable rating under the management approach subfactor of the technical capability factor, which was based on an evaluated deficiency relating to its contingency plan. The RFQ advised vendors that their quotations were required to demonstrate a contingency plan, as follows:

Offerors must demonstrate and discuss the capability to provide a management approach sufficient to manage and perform key aspects of work as set forth in the [performance work statement] PWS. This subfactor will be evaluated to the extent which the offeror:

* * * * *

--Demonstrates a management approach which includes contingency plans for continuity of operations plans in the event of a natural or manmade disaster that may disrupt service capabilities.

RFQ amend. 2 at 84-85.

DHS concluded that the SOURCECORP's quotation did not adequately address the requirement to demonstrate a contingency plan:

On page 88, Emergency Plan, there appears to be a description of how to write an emergency plan rather than a description of the operational processes and contingency procedures that will be implemented.

AR, Tab 6, Final Technical Evaluation (Apr. 26, 2012), at 41.

SOURCECORP argues that DHS's evaluation was unreasonable because it relied on an unstated evaluation criterion. In this regard, the protester argues that the agency improperly interpreted the RFQ as requiring vendors' quotations to provide a detailed contingency plan. The protester argues that its description of its standard approach to develop a contingency plan adequately addressed the solicitation requirements. In support of its argument, the protester also notes that the PWS contained a requirement for a contingency plan as a contract deliverable, which the protester contends, demonstrates that vendors were not required to provide detailed contingency plans in their quotations. This PWS requirement states:

INFORMATION TECHNOLOGY (IT) SECURITY IN THE SYSTEMS DEVELOPMENT LIFE CYCLE (SDLC)

* * * * *

The contractor shall assist the appropriate USCIS [information system security officer] with development and completion of all SDLC activities and deliverables contained in the SDLC. . . . These activities include development of the following documents:

* * * * *

Contingency Plan (CP): This plan describes the steps to be taken to ensure that an automated system or facility can be recovered from service disruptions in the event of emergencies and/or disasters. The Contractor shall support annual contingency plan testing and shall provide a Contingency Plan Test Results Report.

RFQ amend. 2 at 58-59 (emphasis in original).

We think DHS's evaluation under this subfactor was reasonable. The management approach subfactor stated that vendors were required to address their management approach in the context of the PWS. RFQ amend. 2 at 84. The subfactor further stated that vendors were required to demonstrate an approach including contingency plans for continuity of operations. *Id.* at 85. Based on our review, the agency reasonably found that the protester's contingency plan was generic in nature, and did not discuss a specific approach with regard to the PWS requirements. Instead, the protester's quotation states that its approach to contingency plan is to "study the various risk mitigation options" and to evaluate those options' costs and benefits. AR, Tab 5, SOURCECORP Quotation, at 88. The quotation also discussed various options that are "typically" utilized, and various goals that are part of a continuity program that would be developed. *Id.* at 89-95.

The protester contends, however, that the agency's interpretation of the management approach subfactor is inconsistent with the requirements of the PWS. We disagree. As the agency notes, the PWS requirements referenced by the protester relate to the IT security requirements, and did not address a contingency plan that related to the entirety of the PWS requirements. RFQ amend. 2 at 58-59. In contrast, the contingency plan requirements discussed in the management approach subfactor related to the whole of the PWS, which addresses more issues than IT security, such as mail handling, physical workspace management, and storage, shipment, and handling of paper documents. *Id.* at 7. Thus, we agree with the agency that there is no conflict between the evaluation criteria in the management approach subfactor and the performance requirements of the PWS.

Based on our review, DHS reasonably assigned SOURCECORP's quotation a deficiency for its failure to adequately address the contingency plan requirement

and could reasonably determine that SOURCECORP's quotation warranted an unacceptable rating for the management approach subfactor.

Operational Approach Subfactor

SOURCECORP also challenges DHS's assignment of an unacceptable rating under the operational approach subfactor of the technical capability factor, which was based on numerous evaluated weaknesses. The agency identified nine weaknesses, one of which was comprised of 12 examples of "gaps in the discussion of processes" or "incomplete data and discontinuity in describing proposed processes." AR, Tab 6, Final Technical Evaluation, at 38-39. The protester raises numerous challenges to the evaluation of its quotation under this subfactor. We have reviewed all of the protester's arguments and conclude that there is no basis to sustain the protest. We address a number of representative arguments below.

First, DHS assessed a weakness based on a "fundamental misunderstanding between what is proposed and what is required." *Id.* at 37. The first aspect of the weakness related to the agency's concern that the protester had proposed "a solution spanning two facilities." *Id.* The agency found that there was a "risk with separating the totality of the operation and [that] there is not enough information provided to ensure it can be accomplished." *Id.* at 38. The agency's concern was based on the following discussion from SOURCECORP's quotation regarding performance of the contract requirements after the initial implementation of the vendors' technical solution:

Following the successful implementation of the [records digitization services] at the [records data center], the SOURCECORP Team will refocus its project management approach to address the contract's ongoing operations. . . .

The SOURCECORP Team anticipates that once the system architecture has been fully deployed, and implemented, this technical component of the contract will migrate operations to [deleted] where image staging and storage operations will be monitored and maintained. With the heart of operations in [deleted] under the management of [deleted] will refocus his participation in our effort to a maintenance and process-improvement role and relocate project management headquarters to the metropolitan [deleted], area with [deleted] and [deleted] to facilitate ongoing interface with the Government at the Headquarters level.

AR, Tab 5, SOURCECORP Quotation, at 52.

SOURCECORP argues that its quotation involved performance at only one facility, rather than two. The protester notes that its quotation states in numerous locations that performance would take place in [deleted]. For example, the protester cites numerous references in its quotation to “a facility” or “the facility” in Kentucky. See Protest at 10, citing AR, Tab 5, SOURCECORP Quotation, at 1, 3, 4, 7-8, 10, 13, 23, 29, 42, 49, 52, 60. The protester argues that the reference in its quotation to the [deleted] facility was taken out of context by the agency, and that the protester intended only that “executive level oversight and monitoring will be maintained at corporate headquarters in [deleted].” Protest at 10-11. The protester argues that the multiple references to a single facility, elsewhere in its quotation, should have led the agency to understand that SOURCECORP was proposing to perform the contract requirements at a single location.

We think that DHS reasonably relied on the plain language of SOURCECORP’s quotation, which clearly stated that the vendor proposed to “migrate operations to [deleted] where [deleted].” AR, Tab 5, SOURCECORP Quotation, at 52. Although the protester argues that this reference was taken out of context, the protester’s quotation does not explain why the reference to the [deleted] facility could be understood as anything other than work to be performed at a location other than the [deleted] facility. For this reason, we think the agency reasonably assessed a weakness based on the risks arising from SOURCECORP’s apparent plan to have two separate facilities without providing sufficient information to ensure this separation of operations can be accomplished.

A related part of DHS’s assessment of a weakness based on the protester’s “fundamental misunderstanding” of the solicitation requirements concerned the agency’s conclusion that the protester intended to connect the agency’s National File Tracking System (NFTS), which is the agency’s system for tracking the movement immigration files between USCIS and other agency offices, to SOURCECORP’s tracking system, which is called the Production Control System (PCS). The agency identified a weakness arising from a section of the protester’s quotation regarding the use of NFTS data, which stated:

[Deleted]. Simultaneously electronic data will be passed from NFTS to PCS to begin the internal tracking of all files and their individual documents.

AR, Tab 5, SOURCECORP Quotation, at 20. The agency assessed the following weakness:

[T]he Offeror is talking about a connection from their PCS solution to NFTS. The Government never anticipated a connection and the Offeror [has] not provided an architectural diagram that describes their technical solution and connectivity.

AR, Tab 6, Final Technical Evaluation, at 38. While the protester argues that the PCS was intended to be a complementary tracking system, and was not intended to be directly connected to NFTS, see Protest at 11, we think DHS reasonably concluded that the protester's proposed approach involved a connection of some sort between the NFTS and PCS systems, as indicated by the SOURCECORP description of "electronic data" being "passed from NFTS to PCS." Thus, the agency had a reasonable basis for assigning a weakness here.

Next, DHS assigned a weakness to SOURCECORP's quotation based on the protester's lack of understanding of the requirements for shipping of records. The protester's quotation stated: "The files will be updated in NFTS as leaving the [record data center] to its requesters [file control officer] location and mailed using the shipping method identified by the onsite USCIS quality assurance personnel." AR, Tab 5, SOURCECORP Quotation, at 15. The agency assessed the following weakness to this aspect of the protester's quotation:

On page 15, the Offeror indicates that files will be mailed, ". . . using the shipping method identified by the onsite USCIS quality assurance personnel." Identification of the shipping method is not a responsibility of the USCIS quality assurance personnel, rather it is covered in . . . the Records Operations Handbook [ROH].

AR, Tab 6, Final Technical Evaluation, at 39.

The protester argues that although it did not reference the ROH, and instead stated that it would follow guidance of the quality assurance personnel, the intent of this statement was to reflect the fact that the ROH does not address every possible shipping scenario, such as the shipment of larger groups of files. Protest at 17. The protester argues that it was aware of the directions in the ROH, and that its quotation should have been understood to indicate that the protester would check with government personnel for directions in instances not covered by the ROH.

We think DHS reasonably assessed a weakness here. While the protester contends that it was aware of the shipping guidance set forth in the ROH, there is no support for this claim in its quotation, nor is there any support for the protester's argument that its proposed approach of consulting quality assurance personnel for instructions regarding shipping was only intended to address shipping scenarios not covered by the ROH. Furthermore, the protester's argument does not address the agency's concern that SOURCECORP proposed to consult personnel who are not responsible for shipping requirements.

Finally, DHS assigned a weakness to SOURCECORP's quotation based on 12 examples of gaps or incomplete data in the protester's quotation. AR, Tab 6, Final Technical Evaluation, at 38-39. Some of these examples included a reference to a 97.5 percent error rate, rather than a 2.5 percent error rate; a reference to

“USCIS Mortgage files”; and various typos and formatting errors. Id. SOURCECORP argues that the errors were clearly typos or mistakes, which could have been easily corrected, and that these minor discrepancies should not have resulted in a weakness. However, based on our review, we think that the agency reasonably concluded that the 12 examples, collectively, which resulted in gaps and incomplete data in the SOURCECORP’S quotation, constituted a weakness.

On this record, we conclude that the agency reasonably evaluated the protester’s quotation under the operational approach subfactor.

Other Issues

SOURCECORP argues that DHS agency failed to consider price when eliminating its quotation from award consideration. The record here shows, however, that the CO clearly considered the vendors’ proposed prices. The CO noted that all offerors were [deleted] the government estimate, but that the “[t]otal evaluated price . . . was the least important factor.” Furthermore, the CO specifically concluded that “[Vendors 5, 6] and Sourcecorp BPS quotes would require a major revision to be competitive even considering their price.” AR, Tab 8, Competitive Range Decision, at 4.

Finally, SOURCECORP argues that, although DHS did not conduct discussions with vendors prior to eliminating its quotation from the competitive range, the agency should have provided it an opportunity to clarify the errors in its quotation. As discussed above, however, there were more problems in SOURCECORP’s quotation than clerical errors. The agency reasonably identified a deficiency and numerous weaknesses in the protester’s quotation, which rendered it unacceptable and which would have required material revisions to address. Under these circumstances, the agency had no obligation to conduct discussions or other exchanges with SOURCECORP.³ See The Dixon Group, Inc., B-406201, B-406201.2, Mar. 9, 2012, 2012 CPD ¶ 150 at 6.

The protest is denied.

Lynn H. Gibson
General Counsel

³ SOURCECORP raises other collateral issues. We have reviewed all of the protester’s arguments and find no basis to sustain the protest.