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Decision

Matter of: Chenega Technical Products, LLC

File: B-295451.5

Date: June 22, 2005

William K. Walker, Esq., Walker Reausaw, for the protester.

Maj. Gregory R. Bockin and Lt. Col. David C. Hoffman, Department of the Army, for the agency.

Louis A. Chiarella, Esq., and Christine S. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest of agency's past performance evaluation is denied where record shows evaluation was reasonable and consistent with evaluation criteria; protester's disagreement with agency's evaluation is insufficient to show it was unreasonable.

2. Protest that agency's source selection decision was improperly based on a mechanical comparison of evaluation ratings is denied where the record shows the agency adequately considered offerors' prices and performance risk in its award determination.

DECISION

Chenega Technical Products, LLC protests the decision by the Army Contracting Agency, Southern Region Contracting Center East, Department of the Army, not to award Chenega a contract under request for proposals (RFP) No. W911SE-R-0005, for continental United States support base services (CSBS). Chenega alleges that the evaluation of its past performance was unreasonable and that the agency's source selection decision was improper.

We deny the protest.

BACKGROUND

The RFP, issued on August 6, 2004 as a total small-business set-aside, contemplated the award of multiple indefinite-delivery/indefinite-quantity (ID/IQ) contracts for a base year with four 1-year options to perform mobilization services previously performed by Army reservists or other uniformed personnel, in order to prepare

soldiers for overseas deployments. The solicitation set forth a total of 12 functional task areas deemed essential to the CSBS process (i.e., plans, training, mobilization, security, human resources, finance, material management and supply, services, movements, equipment readiness and maintenance, billeting and facilities, and information management), as well as the mobilization stations at which the support base services would be performed.¹ RFP § B4, attach. 1, Performance Work Statement, at 1.

The solicitation identified three evaluation criteria: technical, past performance, and price. With regard to the evaluation of proposals, the RFP informed offerors that only those proposals determined to be “highly qualified” under the technical factor would be eligible for further evaluation and award. RFP § M2. Among proposals rated as highly qualified under the technical evaluation factor, past performance was then to be considered in a tradeoff process as significantly more important than price in making the final determination regarding award. *Id.* Award was to be made to offerors whose proposals were determined to be the best value to the government, all factors considered.² RFP § M1.

Sixteen offerors, including Chenega, submitted proposals by the September 14 closing date. A technical review team evaluated the technical proposals and determined that 10 offerors, including Chenega, were highly qualified. Agency Report (AR), Tab G, Source Selection Evaluation Board (SSEB) Technical Report, at 1.

A past performance evaluation team (PPET) then evaluated the performance risk of those offerors determined to be highly qualified technically, using ratings of low performance risk, average performance risk, high performance risk, and neutral/unknown risk.³ The PPET originally rated Chenega as high performance risk, AR,

¹ The RFP established an “eastern suite” of geographical locations, consisting of Fort Benning, Georgia; Fort Bragg, North Carolina; Fort Campbell, Kentucky; Fort Dix, New Jersey; Fort Drum, New York; Fort Eustis, Virginia; and Fort Stewart, Georgia; and a “western suite” of geographical locations consisting of Fort Bliss, Texas; Fort Carson, Colorado; Fort Hood, Texas; Fort Leonard Wood, Missouri; Fort Lewis, Washington; Fort McCoy, Wisconsin; Fort Polk, Louisiana; Fort Riley, Kansas; and Fort Sill, Oklahoma. The solicitation contemplated multiple awards of all functional task areas for each suite of geographical locations. RFP § B3-4.

² The RFP also stated that “[t]he Government intends to award multiple ID/IQ contracts to the offerors determined to be ‘highly qualified’ based on their technical proposal, with low performance risk and fair and reasonable pricing.” RFP § M1.

³ As set forth below, the RFP also set forth narrative descriptions for each of the performance risk ratings to be used in the evaluation of offerors’ past performance.

Tab I, PPET Evaluation Worksheets, at 1; the source selection authority (SSA), however, later determined that Chenega merited a performance risk rating of average. AR, Tab R, Source Selection Decision, at 8. The SSA also concluded that the evaluated prices of all offerors found to be highly qualified technically were fair and reasonable.⁴ Id. at 9-10. The SSA then selected for award those seven offerors whose proposals were evaluated as highly qualified technically, with low performance risk, and whose prices were found to be fair and reasonable.⁵ Id. at 11.

On December 6, following a debriefing by the agency, Chenega filed a protest with our Office, arguing that the agency had improperly evaluated the offerors' past performance. On January 18, 2005, Chenega filed a supplemental protest alleging that the Army's source selection decision was inconsistent with the RFP by failing to perform and/or document a tradeoff determination. The Army subsequently notified our Office of its intent to take corrective action in response to Chenega's supplemental protest by making a new source selection decision. We dismissed both protests as academic on January 26. On March 2, the SSA again determined that Chenega's proposal did not justify a contract award. AR, Tab X, Amended Source Selection Decision, at 3. On March 25, following a debriefing by the agency, Chenega filed this protest with our Office.

ANALYSIS

Chenega first protests that the agency's evaluation of its past performance was unreasonable. Specifically, Chenega argues that the Army improperly failed to take into account Chenega's contract at Fort Dix, New Jersey, which demonstrated successful performance in all CSBS task areas. Chenega also argues that the agency improperly failed to give the protester full credit for all task areas in which it had demonstrated successful performance for its Aberdeen Proving Ground (APG), Maryland, and Fort McCoy, Wisconsin, contracts. Chenega contends that had the Army properly evaluated its proposal, it would have received a rating of low performance risk instead of average performance risk.

Where a solicitation requires the evaluation of offerors' past performance, we will examine the agency's evaluation to ensure that it was both reasonable and consistent with the solicitation's evaluation criteria, since determining the relative merits of

⁴ The source selection decision indicates that Chenega's total evaluated price of \$32,637,327 was the second lowest of the 10 technically highly qualified offerors, whose evaluated prices ranged from \$31,482,988 to \$51,403,674. AR, Tab R, Source Selection Decision, at 3-4.

⁵ The SSA also originally found as "not eligible for award" all offerors whose proposals were not evaluated as highly qualified technically or low performance risk. AR, Tab R, Source Selection Decision, at 11.

offerors' past performance information is primarily a matter within the contracting agency's discretion. Metro Mach. Corp., B-295744, B-295744.2, Apr. 21, 2005, 2005 CPD ¶ __ at 21; Hanley Indus., Inc., B-295318, Feb. 2, 2005, 2005 CPD ¶ 20 at 4. A protester's mere disagreement with the agency's judgment is not sufficient to establish that the agency acted unreasonably. Birdwell Bros. Painting & Refinishing, B-285035, July 5, 2000, 2000 CPD ¶ 129 at 5. Our review of the record leads us to conclude that the agency's evaluation of Chenega's past performance here was both reasonable and consistent with the RFP's evaluation terms.

The solicitation required offerors to submit information for all contracts and subcontracts performed within the last 3 years, including but not limited to those which were similar in complexity to the effort required by the RFP, and to indicate for each contract (among other things) the period of performance. RFP § L3c. Offerors were also required to demonstrate how the prior contracts referenced were relevant to the functional task areas set forth in the RFP here. Id. Regarding the evaluation of offerors' past performance, the solicitation established two subfactors: 1) relevant experience in the 12 task areas on contracts performed or completed over the past 3 years that were similar to the functions described in the RFP, and 2) quality, including the areas of quality of service, timeliness of performance, and business relations/customer satisfaction. RFP § M2c, d.

The RFP also informed offerors of the rating scheme that the agency intended to use for the evaluation of past performance. Specifically, the evaluation of proposals under the past performance evaluation factor would result in a risk assessment rating, representing the evaluation team's judgment of the probability of an offeror successfully accomplishing the proposed effort based on the offeror's demonstrated past performance. RFP § M3b. The solicitation also described the performance risk assessment ratings as follows:

Low Risk	Based on the offeror's performance record, essentially no doubt exists that the offeror will successfully perform the required effort. Little or no Government oversight is expected to be required in achieving the proposed level of performance.
Average Risk	Based on the offeror's performance record, some doubt exists that the offeror will successfully perform the required effort. Some Government oversight is expected to be required in achieving the proposed level of performance.
High Risk	Based on the offeror's performance record, extreme doubt exists that the offeror will successfully perform the required effort. Regardless of the degree of Government oversight or intervention, successful performance is extremely doubtful.
Neutral/Unknown Risk	No performance record identifiable.

RFP § M3b2.

Chenega's proposal referenced a total of 10 prior contracts, each of which contained a brief narrative description of the "history of work performed/relevance" and a table indicating the alleged applicability of the prior contract to various RFP task areas. AR, Tab H, Chenega Past Performance Proposal, at 1-28. Included within Chenega's proposal and relevant to the protest here were the following prior contracts: 1) a garrison support unit mobility support services contract at Fort Dix, represented as being relevant to all task areas except information management; 2) an armed security guard services contract for various military installations (hereinafter the APG contract), represented as being relevant to the plans, training, mobilization, security, human resources, and services task areas; and 3) a support services contract at Fort McCoy, represented as being relevant to the training, human resources, and finance task areas. Id. at 1-7, 17-19.

In its evaluation, the agency found that Chenega failed to demonstrate successful past performance in all 12 CSBS task areas. Specifically, notwithstanding the quality of Chenega's performance, the agency determined that Chenega's proposal did not show relevant experience in the task areas of training, finances, services, equipment readiness and maintenance, billeting and facilities, and information management. AR, Tab I, PPET Consensus Evaluation of Chenega, at 1-2, Tab X, Amended Source Selection Decision, at 2. Importantly, the PPET determined that Chenega's Fort Dix contract, while similar to all task areas in the RFP here, had been performed for less than 1 month at the time of the evaluation and, because of its short duration, would not be considered in the past performance evaluation. AR, Tab I, PPET Consensus Evaluation of Chenega, at 1. The PPET also found that the experience claimed in Chenega's APG and Fort McCoy contracts pertained mainly to internal contractor operations, not to the support of mobilizing soldiers and units, and as such, did not relate to the task areas here. Id.

Chenega does not dispute the fact that its Fort Dix contract had been performed for only 1 month at the time of the agency's evaluation here. Rather, Chenega argues that RFP did not establish as a qualifying factor the duration of prior contract efforts in order to be considered relevant past performance. The protester also contends that the brief period of performance of its Fort Dix contract should not be a disqualifying factor, inasmuch as performance in the first month is the strongest indicator of the quality of performance for the entire period (Chenega's performance in the first month was successful). By failing to inform offerors that prior contract performance had a durational qualifying factor, Chenega argues, the Army improperly employed an unstated evaluation criterion to the protester's detriment.

Although agencies are required to identify in a solicitation all major evaluation factors, they are not required to identify all areas of each factor which might be taken into account in an evaluation, provided that the unidentified areas are reasonably related to or encompassed by the stated factors. AIA-Todini-Lotos, B-294337, Oct. 15, 2004, 2004 CPD ¶ 211 at 8; see Gentex Corp.-W. Operations,

B-291793 et al., Mar. 25, 2003, 2003 CPD ¶ 66 at 24. We find the Army's consideration of the duration of Chenega's prior contract efforts as part of the evaluation of the offeror's past performance here was consistent with the stated evaluation criteria.

It is self-evident, we think, that the length or duration of an offeror's prior contract efforts logically relates to both the relevance and quality of an offeror's past performance. See EastCo Bldg. Servs., Inc., B-275334, B-275334.2, Feb. 10, 1997, 97-1 CPD ¶ 83 at 3-4 (finding that an agency reasonably considered contract duration as part of a determination of the similarity of an offeror's past performance); SWR, Inc. --Protests & Costs, B-294266.2 et al., Apr. 22, 2005, 2005 CPD ¶ 94 at 6 (finding that the agency reasonably gave less weight to a prior contract that had been performed for less than 1 year). In evaluating an offeror's likelihood of successful performance, a prior contract effort that is of brief or limited duration is simply not as probative of an offeror's record as a contract for a lengthier period of time. See SWR, Inc. --Protests & Costs, supra.

The RFP here required offerors to list prior contracts, which would be evaluated for past performance, and to indicate for each contract (among other things) the period of performance. The solicitation also stated that the evaluation of past performance would consider the degree to which each offeror's previous performance was similar or related to the task area functions set forth in the RFP. Chenega and other offerors were, therefore, on notice from these requirements that, in judging whether a prior contract would be deemed similar and relevant, the Army's evaluation would include consideration of contract duration. See EastCo Bldg. Servs., Inc., supra; ORI Servs. Corp., B-261225, July 28, 1995, 95-2 CPD ¶ 55 at 5. Given the potential duration of the contract under the RFP (1 year with 4 option years), and the fact that Chenega's Fort Dix contract had been performed for only 1 month at the time of the evaluation here,⁶ we find the agency's decision to give it no weight and not to consider it as relevant to the evaluation of Chenega's past performance was neither unreasonable nor inconsistent with the solicitation.

Chenega also argues that the evaluation of its past performance was unreasonable because the Army failed to give the protester sufficient credit for its APG and Fort McCoy contracts. Specifically, Chenega argues that its APG and Fort McCoy contracts each demonstrated relevance in all task areas claimed, albeit as internal aspects of the contractor's operations. Chenega also maintains that if the contract services provided in each instance were performed well, it must follow that all internal component tasks must also have been performed well. Chenega contends

⁶ We note that the SSA also further investigated Chenega's Fort Dix contract and determined that the evaluation of past performance used for award of the Fort Dix contract was different from the past performance evaluation conducted for the CSBS requirement here. AR, Tab R, Source Selection Decision, at 8.

that had the Army properly evaluated its APG and Fort McCoy contract efforts, it would have received a rating of low performance risk. We disagree.

The narrative description within Chenega's proposal described its APG contract as involving armed security guard services for 22 Army installations staffed with a total of 1,575 security officers. AR, Tab H, Chenega Past Performance Proposal, at 5-6. While Chenega claimed that its APG contract demonstrated its experience in six CSBS task areas (*i.e.*, plans, training, mobilization, security, human resources, and services), Chenega's proposal indicated only that it performed planning, training, mobilizing and other related functions as necessary to ensure the performance of the armed security guard services. *Id.* at 6. Similarly, Chenega's narrative description of the Fort McCoy contract, which claimed relevant experience in the training, human resources, and finance task areas, also described many internal functions. *Id.* at 17-18. In its review of Chenega's APG and Fort McCoy contracts, the PPET found that the experience claimed related mainly to the contractor's internal processes, and that the offeror's proposal failed to demonstrate relevant experience in the CSBS task areas as described in the solicitation.⁷ AR, Tab I, PPET Consensus Evaluation of Chenega, at 1.

It is an offeror's responsibility to submit a proposal with adequately detailed information to allow a meaningful review by the agency. Ace Info Solutions, Inc., B-295450.2, Mar. 7, 2005, 2005 CPD ¶ 75 at 8; Interstate Gen. Gov't Contractors, Inc., B-290137.2, June 21, 2002, 2002 CPD ¶ 105 at 5. Here, the RFP required a demonstration by the offeror in its proposal of its relevant experience in the task areas as described in the solicitation. By contrast, notwithstanding the claims of relevant experience by the protester, the agency reasonably determined that the experience actually demonstrated by Chenega's proposal failed to adequately relate to the CSBS task areas. As Chenega has not shown, or even argued, that its proposal demonstrates the task area experience claimed, we find that the agency's evaluation of Chenega's past performance here was reasonable and consistent with the terms of the solicitation.

Lastly, Chenega argues that, even assuming the Army's evaluation of its Fort Dix, McCoy, and APG contracts was proper, the assignment of an average risk rating was unreasonable. Chenega contends that all of the information received by the agency regarding the quality of its performance was positive, and the experience demonstrated by its prior contracts, if not identical to the RFP requirements, was clearly similar. In light of the agency's determination that Chenega failed to demonstrate successful past performance in all CSBS task areas, we find the average

⁷ The PPET states that the Fort McCoy contract "appears to be a very important contract that may contain past performance directly related to the [RFP], however; no detail is presented. The write-up deals mainly with internal company actions." AR, Tab I, PPET Consensus Evaluation of Chenega, at 1.

risk rating assigned by the Army to Chenega's past performance to be reasonable and consistent with the solicitation. Chenega's argument, that the agency should essentially ignore the offeror's lack of relevant experience and consider only the quality of its past performance, amounts to mere disagreement with the agency's evaluation, which does not render it unreasonable.

Chenega also protests that the agency's revised source selection decision was improper. Specifically, Chenega alleges that the Army's tradeoff determination consisted of a mere recitation of evaluation factors and ratings, and failed to properly document the agency's rationale for the tradeoffs made, including the benefits associated with additional costs.

In a best-value procurement, it is the function of the source selection authority to perform a tradeoff between price and non-price factors, that is, to determine whether one proposal's superiority under the non-price factors is worth a higher price. See Leach Mgmt. Consulting Corp., B-292493.2, Oct. 3, 2003, 2003 CPD ¶ 175 at 3-4; Ocean Tech. Servs., Inc., B-288659, Nov. 27, 2001, 2001 CPD ¶ 193 at 5-6. Where a tradeoff is made, the source selection decision must be documented, and the documentation must include the rationale for any tradeoffs made, including the benefits associated with additional costs.⁸ Federal Acquisition Regulation § 15.101-1(c), 15.308; All Star-Cabaco Enter., Joint Venture, B-290133, B-290133.2, June 25, 2002, 2002 CPD ¶ 127 at 8-9.

In conducting the tradeoff here, the SSA properly premised her determination upon a recognition that the solicitation permitted tradeoffs between the price and past performance evaluation factors, with past performance considered significantly more important than price. AR, Tab X, Amended Source Selection Decision, at 2. The SSA then considered Chenega's proposed price and performance risk (rated as average) in comparison to the seven offerors previously selected for contract award (all of which were rated as low risk). The SSA determined that notwithstanding the fact that Chenega's proposed price was second lowest in comparison to the selected offerors,⁹ Chenega's price savings in comparison to the offeror's higher performance risk was not sufficient to justify an award. The SSA specifically found that the risk associated with Chenega's lack of relevant past performance (previously determined to be lacking in 6 of the 12 CSBS task areas) did not overcome the associated cost savings to the agency. Id. at 3.

⁸ This explanation can be given by the source selection authority in the award decision, or it can be evidenced from the documents on which the source selection decision is based. TRW, Inc., B-260788.2, Aug. 2, 1995, 96-1 CPD ¶ 11.

⁹ The SSA also considered the fact that Chenega's proposed price of \$32.6 million was \$10.7 million less than the \$43.3 million average proposed price of the seven offerors previously selected for award.

The propriety of such a price/past performance tradeoff decision turns not on the difference in scores or ratings per se, but on whether the selection official's judgment concerning the significance of the difference was reasonable and adequately justified in light of the RFP's evaluation scheme. Continental RPVs, B-292768.6, Apr. 5, 2004, 2004 CPD ¶ 103 at 6-7; Efficiency Mgmt. & Eng'g Co.; Norcor Techs. Corp., B-292676, B-292676.2, Oct. 31, 2003, 2003 CPD ¶ 194 at 6. Contrary to the protester's assertions, we find the record here demonstrates that the SSA's comparison of proposals and award decision were based, not on a mechanical comparison of the evaluation ratings, but on the underlying merits of the offerors' proposals as reflected in their risk ratings. As stated above, the Army in its evaluation concluded that Chenega lacked relevant experience in 6 of the 12 CSBS task areas, thereby increasing the risk that Chenega would not successfully perform the required effort. In considering whether to make award to Chenega, the SSA made the judgment that the greater risk associated with its offer was not offset by the cost savings involved; this is the rationale for her decision not to make award to Chenega. We cannot agree with the protester that the agency was required to do more in its tradeoff of Chenega's lower price and higher performance risk.

In sum, consistent with the RFP's provision that performance risk considerations were significantly more important than price considerations, the SSA reasonably concluded that the cost savings associated with Chenega's offer were not justified in light of the higher risk associated with its proposal. Under these circumstances, we see no basis to question the agency's decision not to make award to Chenega.

The protest is denied.

Anthony H. Gamboa
General Counsel