



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

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Matter of: Sigmatech, Inc.

File: B-271821; B-271821.2

Date: August 22, 1996

Rand L. Allen, Esq., Paul F. Khoury, Esq., and David A. Vogel, Esq., Wiley, Rein & Fielding, for the protester.

Joshua A. Kranzberg, Esq., and Carol P. Rosenbaum, Esq., Department of the Army, for the agency.

Glenn G. Wolcott, Esq., and Paul Lieberman, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Agency reasonably determined that offerors were required to have experience with particular weapon systems supported by contract, and protester's assertion that its experience with other weapon systems should have been considered equivalent reflects mere disagreement with the agency's judgment.
2. Agency reasonably concluded that overall level of personnel proposed by protester was inadequate to meet the government's requirements under a task order contract where protester's proposed staffing level was based on the unrealistic assumption that the government's requirements would be met through a steady-state level of effort equal to an average of the total contract requirements.
3. Where awardees each proposed over three times more personnel with demonstrated experience supporting the weapons systems to be supported by this contract than did the protester, and solicitation provided that an offeror's evaluated capabilities to perform the contract requirements was significantly more important than any other evaluation factor, there is no basis to conclude that protester's slightly lower-cost proposal offered greater value to the government than awardees' proposals.
4. Where solicitation provided that failure to demonstrate relevant experience would be a negative evaluation factor, agency's advice during pre-proposal conference that offerors' abilities to affirmatively demonstrate such experience would be an enhancement did not mislead offerors so as to warrant sustaining the protest.

DECISION

Sigmattech, Inc. protests the Department of the Army's contract awards to Dynamics Research Corporation (DRC), Decisions and Advanced Technology Associates, Inc. (DATA) and System Dynamics International, Inc. (SDI) under request for proposals (RFP) No. DAAJ09-95-R-0608. The RFP sought support services for the Army's Aviation and Troop Command (ATCOM) and Program Executive Office (PEO) in connection with the Programmatic and Technical Support (PATS) III program. Sigmattech maintains that the agency improperly evaluated its proposal as unacceptable, and asserts that its proposal should have been assessed as offering greater value to the government than those of the awardees.

We deny the protest.

BACKGROUND

On September 22, 1995, the Army issued the solicitation at issue here.¹ The RFP contemplated the award of multiple cost-reimbursement task order contracts to provide programmatic support for specified ATCOM/PEO weapons systems. Specifically, the RFP stated: "the Government contemplates up to three awards (full and open, small business, 8a),"² and established a minimum value of \$300,000 and an estimated maximum value of \$33 million for each contract.

Section M of the RFP states that proposals would be evaluated in three areas--capabilities, past performance, and cost--and that capabilities were significantly more important than past performance, which was, in turn, more important than cost. Regarding evaluation of offerors' capabilities, section M states:

¹At that time, the agency also issued two other solicitations relating to the PATS III program--one for technical support and one for logistical support. Contracts awarded under those solicitations are not at issue in this protest.

²"8a" refers to section 8(a) of the Small Business Act, 15 U.S.C. § 637(a) (1994), which provides for contract awards to small disadvantaged business concerns.

"This Evaluation Area is used to gauge the Government's perception of the ability of a Contractor to successfully complete the diverse and potentially complex work likely to be tasked under the SOW in support of multiple weapon systems set forth in Attachment 2."³

Section M further established three factors to be considered in evaluating offerors' capabilities: corporate capabilities, corporate historical experience, and key personnel. With regard to key personnel, the RFP required offerors to submit resumes for the prime and subcontractor personnel being proposed, stating that up to 200 resumes could be submitted. Regarding evaluation of key personnel, section M stated:

"The Government plans to evaluate that the offeror has identified sufficient personnel with ample qualifications to perform applicable tasks/capabilities delineated by the Core Competencies set forth in Exhibit F⁴] and the SOW⁵] for the future support requirements of the weapon systems set forth in Attachment 2."

The RFP states that proposals must be considered acceptable under each factor to be eligible for award and provides that awards would be based on the proposals offering the best value to the government, all factors considered.

On October 17, the agency conducted a pre-proposal conference during which it provided answers to various questions concerning the procurement. Although not incorporated into the solicitation, the record of the pre-proposal conference was subsequently provided to offerors. Nine proposals were submitted by the November 9 closing date, including the proposals of Sigmatech, DRC, DATA, and SDI. Technical proposals were evaluated by a source selection evaluation board

³The ATCOM/PEO weapon systems listed in attachment 2 included: various helicopter systems including the Apache, Kiowa Warrior, Comanche RAH-66, Cobra, UH-1, as well as "utility helicopters," and "light observation helicopters"; various special operations aircraft; all army fixed-wing aircraft; and various transportation systems, bridging equipment, water equipment, and environmental systems.

⁴Exhibit F identified various core competencies likely to be required, including: aerospace engineering, metallurgy, composite materials engineering, computer resources engineering, and financial/cost management.

⁵The statement of work contemplated a broad range of tasks including: resource management support, cost estimating and analysis, schedule development and assessment, plans and integration, strategic planning analysis, and engineering data and configuration management support.

(SSEB) using an adjectival rating system of exceptional (E), very good (VG), acceptable (A) and unacceptable (U). With regard to cost proposals, the agency assigned a most probable cost to each proposal and assessed an associated cost risk. The proposals of Sigmatech and the three awardees were rated as follows:

	<u>DRC</u>	<u>SDI</u>	<u>DATA</u>	<u>Sigmatech</u>
Capabilities	E	E-	E-/VG+	U
Past Performance	VG	A	VG	E
Most Probable Cost (in millions)	\$36.969	\$38.289	\$35.795	\$35.773
Cost Risk	low	low	low	low

Sigmatech's proposal was evaluated as unacceptable in the area of capabilities based on its failure to identify sufficient personnel to perform the contract requirements. Specifically, the SSEB report concluded:

"Sigmatech provided 76 resumes of individuals representing limited depth of programmatic expertise relative to the applicable SOW/Core Competencies/Weapons Systems Sigmatech has limited capability (depth or breadth) demonstrated in any aviation or troop weapon systems⁶. . . . The Sigmatech proposal does not demonstrate adequate resources to respond to most Government requirements Sigmatech is a small disadvantaged 8(a) business and would be required to perform at least 50% of the labor as the prime."

In contrast, the SSEB concluded that DRC's proposal provided 134 resumes and "documented depth and breadth of capability in all weapon systems"; that SDI's proposal provided 155 resumes demonstrating "outstanding aviation system capability in all aviation weapon systems"; and that DATA's proposal provided 159 resumes demonstrating "experience in all aviation weapon systems."⁷

⁶In assessing "depth" of personnel, the agency considered the number of individuals that had relevant experience and were otherwise qualified; in assessing "breadth" of proposed personnel, the agency considered the number of competencies and systems in which the offeror's personnel demonstrated experience and expertise.

⁷The total number of resumes listed for each offeror in the SSEB report was slightly different than the numbers subsequently verified by the agency as having been submitted. After reviewing the file, the agency subsequently concluded that DRC had actually submitted 3 more resumes (137) that SDI had submitted 1 less resume (154) and that DATA had submitted 5 less resumes (154).

On April 8, the agency selected DRC, DATA and SDI for contract awards.⁸ On April 19, Sigmatech filed an initial protest with our Office which it supplemented on May 9.

DISCUSSION

Sigmatech protests the agency's determination that its proposal failed to include sufficient personnel with adequate capabilities to perform the contract requirements. First, Sigmatech maintains that the agency should have considered the experience of Sigmatech's personnel with systems other than ATCOM/PEO systems, including missile systems, to be equivalent to experience with the ATCOM/PEO systems. Second, Sigmatech challenges the agency's determination that 76 persons was an inadequate staffing level, arguing that the 76 resumes submitted in its proposal represented the maximum number of people that could be required to perform the contract.⁹ Overall, Sigmatech maintains that the qualifications of the personnel it proposed should have been considered more than adequate to respond to the government's requirements and that, as a result, its low-cost proposal offered greater value to the government than the awardees' proposals.

The agency responds that offerors' demonstrated experience with the ATCOM/PEO weapon systems supported by this contract was considered to be the most reliable indicator of an offeror's capabilities to successfully perform the contract requirements.¹⁰ Accordingly, Sigmatech's limited experience with ATCOM/PEO

⁸DRC was awarded the contract for which all offerors were considered. SDI was awarded the contract for which only small businesses were considered. DATA was awarded the contract for which only 8(a) firms were considered. Sigmatech, a certified 8(a) firm, was eligible to be considered for each of the contracts.

⁹Sigmatech bases its assertions regarding total manning requirements by dividing the contract value of \$33 million by [deleted] concluding that [deleted] is the maximum number of contract hours that could be required. Sigmatech then divides that total contract hours by [deleted] to conclude that no more than 380 man years could be required. It then divides total manyears by the 5-year contract period to conclude that no more than 76 individuals will be required to perform the contract.

¹⁰The contracting officer explains that, in the two preceding PATS contracts, offerors' capabilities were evaluated on the basis of "rhetorical responses" to the statements of work and narrative descriptions of proposed approaches to theoretical tasks, and that evaluation of offerors' capabilities based on such input had not always been accurate. Accordingly, in structuring this solicitation, the agency intentionally provided that offerors' demonstrated accomplishments would
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weapon systems, combined with the low overall level of personnel it proposed, resulted in the unacceptable rating.

In explaining that the alternative experience demonstrated by Sigmatech's personnel was inadequate, the agency relied on the unique complexities of the ATCOM/PEO weapon systems at issue, explaining generally:

"Multiple ATCOM/PEO, Aviation requirers anticipate programmatic efforts in support of complex weapon systems which require a high degree of technical understanding in order to accomplish the required coordination and support with minimum expenditure of time and resources Knowledge of the mission of the system, critical performance parameters and at least a working knowledge of subsystems, qualification and testing requirements, as well as eventual operation utilization are essential to successful execution of a program. This is especially true for aviation systems since they are an integral part of the total battlefield Understanding the technical issues, system operation, and development status is critical to providing risk mitigation in establishment of acquisition strategy. Aviation systems are the most complex and diversified of all the DOD systems."

More specifically, the agency referenced the unique technical and engineering aspects of certain weapon systems to be supported, including the Comanche and the Kiowa Warrior, stating that a working knowledge of the subsystems, qualification and testing requirements, and eventual operational utilization of these systems is critical for successful contractor performance. Due to the unique aspects of the ATCOM/PEO weapon systems, the agency concluded that Sigmatech's alternative experience, including its missile system experience, was not an adequate substitute to ensure successful performance.

Regarding the overall level of personnel proposed by Sigmatech, the agency explains that Sigmatech's assertion that it can adequately perform the contract with 76 people is based on an unrealistic assumption that the task order requirements of this contract will be met by providing a steady-state level of effort equal to an arithmetic average of the maximum contract requirements; further, the skill mix

¹⁰(...continued)

be given greater consideration in evaluating their capabilities. Thus, section M of the solicitation put offerors on notice that the agency would be evaluating offerors' capabilities to support the specific weapons systems listed at RFP attachment 2, and that demonstrated experience with those particular systems was of vital importance to the agency.

reflected in the task order requirements would have to precisely match the skill mix of Sigmatech's proposed personnel. The agency asserts that Sigmatech's assumptions are particularly unrealistic in the context of this procurement where, as discussed in the solicitation, the Base Realignment and Closure Commission (BRAC) has recommended that the ATCOM/PEO aviation missions and functions be transferred to other locations during the anticipated term of the contract. The agency explains that this transfer activity is likely to require the contractors to provide simultaneous responses to complex tasks in multiple locations, thereby requiring substantially more direct labor at certain times than an arithmetic average of the overall contract requirements. In short, the agency maintains that rather than reflecting the maximum number of individuals that could be required to perform the contract, Sigmatech's proposed level of personnel would be adequate to meet the government's requirements only under a set of unrealistic circumstances. Accordingly, the agency maintains that it properly evaluated Sigmatech's proposal as unacceptable.

Procuring agencies are generally in the best position to determine their actual requirements and the best method for meeting them. In reviewing protests challenging technical evaluations, our Office will not substitute our judgment for that of the agency; rather, we will review the record to determine whether the agency's actions were reasonable and consistent with the listed criteria and whether there were violations of procurement statutes or regulations. See, e.g., Facilities Management Co., Inc., B-259731.2, May 23, 1995, 95-1 CPD ¶ 274; RMS Indus., B-247233; B-247234, May 1, 1992, 92-1 CPD ¶ 412.

Here, we find no basis to question the agency's subjective determination that demonstrated experience with the relevant ATCOM/PEO systems constitutes the most reliable indicator of an offeror's capability to perform the contract and that the alternative experience of Sigmatech's personnel was insufficient. In making its determination, the agency considered its own contract experience supporting the ATCOM/PEO weapons systems and the complexity and unique requirements of the tasks to be performed. The record provides no basis to question the agency's conclusion that the expertise demonstrated by Sigmatech personnel with respect to alternative weapons systems was not an adequate substitute to ensure successful contract performance. Sigmatech's contrary assertion merely reflects its disagreement with the agency's judgment, which provides no basis for sustaining the protest. Calspan Corp., B-258441, Jan. 19, 1995, 95-1 CPD ¶ 28.

Even if Sigmatech's proposed personnel had demonstrated adequate experience with the ATCOM/PEO weapons systems, or equivalent expertise, the overall level of personnel it proposed was reasonably evaluated as inadequate to meet the contract requirements. Using Sigmatech's own calculations, the record shows that the level of personnel it proposed would meet the government's potential tasking requirements only in the event those requirements did not exceed an arithmetic

average of the total requirements and were distributed by skill and experience in a manner matching the skill and experience of Sigmatech's proposed personnel.¹¹ We believe the agency reasonably determined that successful contract performance would require performance by some personnel who were not dedicated on a full time basis to this contract. In short, where Sigmatech's own calculations demonstrate that it proposed only enough personnel to match the total number of staff years that could be required, we cannot question the agency's determination that Sigmatech's proposed level of personnel was inadequate.

In any event, our review of the proposals, along with the solicitation's evaluation scheme, leads us to conclude that, even if Sigmatech's proposal had been considered acceptable in the area of capabilities, there is no reasonable basis to conclude that it represented the best value to the government. The record shows that each of the awardees' proposals demonstrated significantly greater capabilities in the context of the contract requirements. Most importantly, each of the awardees proposed over three times the level of personnel demonstrating relevant experience with the ATCOM/PEO weapons systems than was proposed by Sigmatech.¹² Based on our review, we conclude that the level of capabilities demonstrated by the personnel uniquely offered by each of the awardees, augmented by the capabilities of the "shared personnel," was substantially superior to the capabilities demonstrated by Sigmatech's proposed personnel. Similarly, with regard to corporate historical experience, another evaluation factor under the capabilities area, each of the awardees and their proposed subcontractors demonstrated significantly greater experience than did Sigmatech.¹³

¹¹Sigmatech's calculations also make no allowance for non-productive employee time such as vacation, sick leave, and time spent performing activities not properly billed to the contract.

¹²Sigmatech argues that the number of resumes submitted by each of the awardees is not a valid indicator of their individual capabilities because some of the resumes were included in more than one proposal, thereby indicating that those individuals will not be dedicated full time to each offeror. However, even when considering only the resumes "unique" to each proposal, each awardee's proposed personnel demonstrate substantially greater experience with ATCOM/PEO weapons system than Sigmatech's proposed personnel. Further, proposals reflecting "shared personnel" are consistent with the realistic assumption that not all individuals will be dedicated on a full time basis to a given contract.

¹³With regard to corporate historical experience, the RFP required offerors to list each of the government contracts performed by the offeror and its subcontractors during the preceding three years, in which billings exceeded \$100,000. The listings
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The solicitation provided that an offeror's capabilities to perform the contract requirements would be "significantly" more important than its evaluated past performance which, in turn, would be more important than cost. In light of this evaluation scheme, even if Sigmatech's proposal had been rated acceptable in the area of capabilities, its higher past performance rating and slightly lower cost could not reasonably be considered to offset the awardees' clear superiority in the "significantly" more important evaluation area of capabilities. Accordingly, there is no reasonable basis to challenge the conclusion that the awardees' proposals offered the best value to the government.¹⁴

Finally, Sigmatech protests that it was misled during the pre-proposal conference regarding the importance the agency intended to place on ATCOM/PEO weapon systems experience. In this regard, Sigmatech references the following question and answer provided by the agency:

"Q. Do [contractor] personnel have to have experience supporting the weapon systems shown at [attachment] 2, or is experience with similar systems to be considered equivalent? Will not having the experience on the specific weapon systems be a negative evaluation consideration?"

¹³(...continued)

of DRC and its 10 subcontractors exceeded those of Sigmatech and its 4 subcontractors by 45 percent. The listings of SDI and its 15 subcontractors also exceeded those of Sigmatech and its subcontractors by 45 percent. The listings of DATA and its 12 subcontractors exceeded those of Sigmatech and its subcontractors by 35 percent.

¹⁴Sigmatech also argues that it was facially unreasonable for the agency to evaluate its proposal as exceptional in the area of past performance and unacceptable in the area of capabilities. We disagree. As the agency points out, evaluation in the area of past performance considered only the quality of the offeror's performance history and did not assess the relevance of that prior performance to the requirements of this solicitation. In contrast, the agency's evaluation in the area of offerors' capabilities, which included the corporate historical experience and key personnel factors, focused on the ability of the offeror to perform the particular requirements of this solicitation.

- A. Experience on weapon systems shown at [attachment] 2 is deemed of value to the Government and will be considered as an enhancement in the evaluation."¹⁵

Sigmattech asserts that the agency's response constituted a statement that it would not consider an offeror's lack of ATCOM/PEO weapon systems experience as a negative evaluation consideration.

As noted above, section M of the solicitation specifically advised offerors that, in evaluating key personnel, the agency would assess whether each offeror "identified sufficient personnel with ample qualifications to perform applicable tasks/capabilities . . . for the future support requirements of the weapon systems set forth in Attachment 2." Similarly, in describing the evaluation of corporate historical experience, another factor under capabilities, the solicitation stated, "inability to show corporate historical experience that the [agency] deems germane to the SOW(atch 1)/core competencies (ExhF)/current ATCOM PEO, Aviation, weapon systems (Atch 2) will be a negative consideration in the assignment of an adjectival descriptor for the Capabilities Evaluation Area." (Emphasis added.)

In light of this language, we believe the solicitation reasonably put offerors on notice that a lack of ATCOM/PEO weapons systems experience would be a negative evaluation factor. We do not believe the agency's statement that an offeror's affirmative demonstration of such experience would also be considered an enhancement contradicts the RFP provision that the absence of such experience would be a negative factor. While the agency's response to the question may not have been a model of clarity, it does not provide a basis for sustaining the protest.

The protest is denied.

Comptroller General
of the United States

¹⁵This question and answer was one of over 160 provided to the offerors as part of the pre-proposal conference record. Although the record was not formally incorporated into the solicitation, our Office has stated that: "where . . . an agency disseminates written responses to offerors' questions during the course of a procurement, even where the questions and answers are not expressly incorporated into the RFP, the agency is bound by its responses, where they are not inconsistent with the RFP and one or more of the offerors would be prejudiced if the agency does not adhere to its statements." Meridian Management Corp.; Consolidated Eng'g Servs., Inc., B-271557 et al., July 29, 1996, 96-2 CPD ¶ __.