



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: Management Systems International, Inc.; Blumont Engineering Solutions, Inc.

File: B-418080, B-418080.2, B-418080.3

Date: January 9, 2020

Robert Nichols, Esq., and Andrew Victor, Esq., Nichols Liu LLP, for Management Systems International, Inc.; David T. Ralston, Jr., Esq., Frank S. Murray, Esq., Julia Di Vito, Esq., and Micah T. Zomer, Esq., Foley & Lardner LLP, for Blumont Engineering Solutions, Inc., the protesters.

Kelly E. Buroker, Esq., Jeffrey M. Lowry, Esq., and Tamara Droubi, Esq., Vedder Price PC, and Eric J. Marcotte, Esq., Law Office of Eric J. Marcotte, for Chemonics International Inc., the intervenor.

John B. Alumbaugh, Esq., United States Agency for International Development, for the agency.

Lois Hanshaw, Esq., and Amy B. Pereira, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protests that the agency unreasonably evaluated offerors' proposals are denied, where the agency evaluated proposals consistent with the solicitation's stated evaluation factors.

DECISION

Management Systems International, Inc. (MSI), of Arlington, Virginia, and Blumont Engineering Solutions, Inc. (Blumont), of Madison, Wisconsin protest the award of a contract to Chemonics International Inc. (Chemonics), of Washington, D. C., under Request for Proposals (RFP) No. 72026719R00002 issued by United States Agency for International Development (USAID) for economic and community development projects in Iraq. The protesters challenge the agency's evaluation of proposals.

We deny the protests in part and dismiss the protests in part.

BACKGROUND

The agency issued the RFP on April 10, 2019, under Federal Acquisition Regulation (FAR) part 15, Contracting by Negotiation, seeking a contractor to implement a project entitled USAID/Iraq Durable Communities and Economic Opportunities (DCEO). Agency Report (AR) MSI Tab 3; Blumont Tab 4, RFP at 1.¹ The two objectives of the DCEO contract are to provide support to: (1) increase the adaptive capacity of vulnerable communities; and (2) advance the economic wellbeing of communities. AR, Tab 4A, Statement of Objectives, at 1. The contract will be principally performed in Iraq. RFP at 15. The performance work statement (PWS) was to be developed by the offeror based on the content of the RFP and inserted at the time of award. Id. at 11.

The RFP contemplated the award of an indefinite-delivery, indefinite-quantity (IDIQ) contract, with a 5-year ordering period and a 7-year period of performance, under which cost-plus-fixed-fee and fixed-price task orders would be issued. Id. at 7, 15. The IDIQ has an overall ceiling price of \$125,000,000. Id. at 7. The government anticipated making award without conducting discussions, but reserved the right to hold discussions with offerors in accordance with FAR clause 52.215-1(f)(4). Id. at 82. The RFP advised offerors to submit their best technical and cost proposals in their initial offers. Id. at 82. The RFP incorporated FAR clause 52.215-1, Instructions to Offerors-Competitive Acquisition, which stated that the government may reject any or all proposals if such action is in the government's interest. FAR clause 52.215-1(f)(2); RFP at 66.

Award was to be made on a best-value tradeoff basis considering technical and cost proposals. Id. at 82. The technical proposal was required to address how the offeror intended to meet the objectives of the RFP, and contain a clear understanding of the work to be undertaken and the responsibility of all parties involved. Id. at 69. The technical factors, listed in descending order of importance, were: the technical approach or the PWS of the IDIQ²; the management plan or the PWS for task order No. 1; performance monitoring and evaluation (M&E) learning (PMEL) plan; key personnel; and past performance. Id. at 82-83. The technical evaluation factors, when combined were considered significantly more important than the cost/price factor. Id. at 82.

¹ The agency report for MSI's and Blumont's protests used a different numbering scheme for exhibits common to both protests, such as the RFP and evaluation documents. For efficiency in referring to these documents, our initial reference to an exhibit will include the tab numbers from each agency report and subsequent references will include only the title of the cited document. Additionally, the agency added consecutive numbers to the pages of this document. Our citations are to the page numbers assigned by the agency.

² In its evaluation, the agency also referred to this factor as the implementation methodology factor. See e.g., AR, MSI Tab 12, Blumont Tab 14, Technical Evaluation Committee (TEC) Report, at 10.

By the May 10 closing date, the agency received four proposals, including those of MSI and Blumont. AR, MSI Tab 13, Blumont Tab 15, Source Selection Decision Document (SSDD) Report, at 2. After evaluating proposals, the proposals of the awardee and the two protesters were rated as follows:

	Blumont	Chemonics	MSI
Technical Approach	Unsatisfactory	Satisfactory	Marginal
Management Plan	Marginal	Very Good	Marginal
<i>Implementation of Management Plan</i>	Marginal	Exceptional	Marginal
<i>Management of Subcontracts and Grants under Contract</i>	Marginal	Very Good	Satisfactory
<i>Implementation of PMEL</i>	Marginal	Satisfactory	Unsatisfactory
<i>Communications</i>	Marginal	Exceptional	Marginal
PMEL Plan	Marginal	Very Good	Satisfactory
<i>Results Capture</i>	Marginal	Satisfactory	Satisfactory
<i>Knowledge Management Plan</i>	Marginal	Very Good	Satisfactory
<i>Innovation</i>	Marginal	Very Good	Very Good
Key Personnel	Marginal	Exceptional	Marginal
Past Performance	Satisfactory	Very Good	Very Good
Total Consensus	Marginal	Very Good	Marginal
Most Probable Cost/Price	\$61,564,234	\$55,475,689	\$49,237,973

AR, SSDD Report, at 2-4, 14.

In evaluating the non-cost/price factors, the TEC assessed Blumont’s proposal four deficiencies and nine significant weaknesses; MSI’s proposal was assessed three deficiencies and eight significant weaknesses. AR, TEC Report at 13-14, 49-54. In evaluating the most probable cost/price for awarding task order No. 1, the agency reviewed costs for realism and upwardly adjusted various portions of the offerors’ proposed costs.³ AR, Cost Team Evaluation, at 176.

The contracting officer, acting as the source selection authority (SSA), reviewed the evaluation materials, consulted with the TEC, and based on an assessment of the proposals submitted, concluded that Chemonics’ proposal represented the best value to

³ Offerors were required to provide detailed budgets for task order No. 1 that included all costs necessary for the overall management for the five year IDIQ contract. RFP at 75. The agency evaluated items such as fixed fees, if any, salaries and wages, fringe benefits, subcontracts, other direct costs. AR, MSI Tab 11, Blumont Tab 13, Cost Team Evaluation, at 4.

the government.⁴ AR, SSDD Report, at 1. In reviewing the proposals, the SSA generally discussed the strengths, weaknesses, and deficiencies, if applicable, and noted that Blumont and MSI offered marginal proposals containing deficiencies that would require major revisions to fix. Id. at 4-13, 15. The SSA further concluded that “[a]ny one of these deficiencies makes [Blumont and MSI’s proposals] ineligible for award” because the risk of unsuccessful performance was raised to an unacceptable level. Id. at 15. The agency made award to Chemonics after reviewing the relative merits of Chemonic’s technical proposal and concluding that Chemonics’ proposal had no deficiencies that would make it ineligible for award. Id.

On September 27, 2019, the agency notified Blumont and MSI of award and provided debriefings. These protests followed.

DISCUSSION

Blumont and MSI challenge various aspects of the agency’s evaluation. Blumont challenges the approximately 18 significant weaknesses and four deficiencies assessed to its technical proposal, asserts that the agency unreasonably rated its proposal under the key personnel factor as marginal, contends that the agency’s upward adjustments to its costs proposed for security and fringe benefits were unreasonable, and contends that the agency’s cost realism evaluation was unequal. Blumont Protest at 15-48; Comments and Supp. Protest at 44. MSI contends that the agency erred in assessing approximately nine significant weaknesses and three deficiencies to its technical proposal, and should not have adjusted its costs upward. MSI Protest at 12-26.

It is well-established that in reviewing challenges to an agency’s evaluation of proposals, we do not reevaluate proposals, but rather, review the agency’s evaluation to ensure that it was reasonable, consistent with the terms of the solicitation, and consistent with applicable statutes and regulations. All Native, Inc., B-411693 et al., Oct. 5, 2015, 2015 CPD ¶ 337 at 3. A protester’s disagreement with an agency’s judgment, without more, is insufficient to establish that an agency acted unreasonably. Watts-Obayashi, Joint Venture; Black Constr. Corp., B-409391 et al., Apr. 4, 2014, 2014 CPD ¶ 122 at 9. Moreover, it is an offeror’s responsibility to submit an adequately written proposal that demonstrates the merits of its approach; an offeror runs the risk of having its proposal downgraded or rejected if the proposal is inadequately written. Partnership for Supply Chain Mgmt., B-411490, B-411490.2, Aug. 11, 2015, 2015 CPD ¶ 252 at 11.

Assignment of Deficiencies

We first discuss the deficiencies assessed to Blumont’s and MSI’s technical proposals. For the reasons discussed below, we find that the agency evaluated the offerors’

⁴ Chemonics received an award of the IDIQ contract with an overall ceiling price of \$125 million and an evaluated cost of \$55,475,689 for task order No. 1.

technical proposals reasonably and in accordance with the stated evaluation criteria and applicable procurement laws and regulations. Based on our conclusion that the agency reasonably assessed deficiencies that rendered each protester's technical proposal ineligible for award, we conclude that the protesters are not interested parties to challenge the remainder of the agency's evaluation and award.

Blumont's Technical Proposal

Under the technical approach factor, the RFP required offerors to provide a PWS which would act as the general scope of the overall IDIQ and clearly demonstrate how the offeror would identify, prioritize, and implement activities to achieve the two objectives of the DCEO program. RFP at 70. The RFP identified the required elements of the PWS, including a methodology for identifying and proposing initial and future communities and related opportunities, assumptions, constraints, and a mitigation plan. Id. The RFP required a particular structure for the PWS, including, as relevant here, a background section in which an offeror was to discuss critical assumptions, implementation constraints, other programmatic considerations, and the relevant development issues present in Iraq which supported an offeror's proposed development hypothesis and methodology. Id. Offerors would be evaluated on the extent to which their implementation methodology could best achieve project results under the DCEO objectives. Id. at 82.

Blumont's proposal was assessed a deficiency for not discussing critical assumptions or implementation challenges in the background section of its proposal under the technical approach as required by the RFP. AR, TEC Report, at 13. Blumont concedes that it discussed its critical assumptions under the PMEL plan factor, and placed information purporting to address implementation constraints under the PWS section dealing with the second objective of the RFP, advancing the economic wellbeing of communities. Neither of these matters is addressed in the background section of the PWS for the technical approach factor. Blumont Protest at 34 citing AR, Tab 8, Blumont Technical Proposal, at 9, 26. Nevertheless, Blumont asserts its failure to address these issues in the proper place in its proposal was a minor deviation that should not render its proposal ineligible for award. Protest at 34.

The agency responds that the PWS was to serve as the foundation of an offeror's approach, and the appropriate placement of the assumptions and challenges was important so that they would be applicable to the entire IDIQ, including task order No. 1 and any future task orders. Memorandum of Law (MOL) at 9. The agency further explains that Blumont's placement of assumptions and challenges in the wrong portion of its proposal meant that neither was guaranteed to be part of the PWS for task order No. 1. Id. The agency also contends that the proposal information cited by Blumont shows that critical assumptions were not included in the PWS, but rather under information related to the PMEL plan factor. AR, Tab 8, Blumont Technical Proposal, at 26.

We find no basis to challenge the agency's evaluation. The RFP specifically advised offerors that in developing the PWS for the IDIQ, the PWS must include, "[a]t a minimum," crucial assumptions and implementation constraints in the background section. RFP at 70. The record shows that Blumont placed its critical assumptions under an entirely different portion of its proposal, i.e., its response regarding the PMEL plan factor, and failed to place implementation constraints under the background section related to its technical approach. In this regard, because the admittedly improper placement of critical assumptions, as conceded by Blumont, failed to meet a material requirement of the solicitation, we find no basis to conclude that the misplacement was a minor deviation. Moreover, the protester has not shown that the agency's conclusions that the proper placement of the elements in the PWS was important to the scope of the overall IDIQ were unreasonable. In this regard, we find no basis to object to the agency's assessment of a deficiency.

MSI's Technical Proposal

Under the management plan factor, the RFP required offerors to develop the PWS for task order No. 1, which would focus solely on the five year management plan for the overall IDIQ, and be linked to the overall scope and approach offered in the PWS for the IDIQ. RFP at 71. The successful offeror would be required to conduct a comprehensive analysis of local sources of instability and resilience within target communities, and to assess opportunities for economic growth and intervention. Id. The offeror would be expected to build on the assessments and results of ongoing USAID programs, as well as available data and reports. Id. Based on this work, USAID would issue future requests for task order proposals to implement specific scopes of work. Id. at 71.

The RFP also required an offeror to establish management, administrative, monitoring and quality control aspects of activities to be implemented under the two DCEO objectives. Id. Offerors were required to establish an iterative learning plan for program implementation. Id. The RFP stated that this learning plan would entail a rigorous monitoring, evaluation and learning approach, and tools to emphasize the systematic process of collecting and analyzing performance information to track progress toward planned results. Id. at 71-72. Offerors would be evaluated on the extent to which the proposed management plan presented efficient management systems that would provide sufficient technical expertise in four areas, including, as relevant here, the implementation of the proposed PMEL (performance, monitoring, evaluation, and learning) plan.⁵ RFP at 82.

⁵ The RFP also required offerors to create a PMEL plan, including an appropriate monitoring and evaluation (M&E) system. RFP at 73. The M&E system would include: (1) a proposed iterative learning strategy to capture, document, and use project successes, achievements, lessons learned and recommendations, and (2) a proposed complexity-aware monitoring strategy, such as outcome harvesting to complement performance monitoring and provide data and analysis on a fuller range of
(continued...)

MSI's proposal was assessed a deficiency for its proposed management approach, which the agency found would rely on unpaid volunteers to collect critical data on their communities. AR, TEC Report, at 52. The TEC concluded that this approach would not conform to standard M&E practices and created a significant risk of failure in data collection.⁶ Id.

MSI asserts that the agency improperly interpreted its approach to “train and employ youth and other community volunteers” to collect data as an indication that MSI would use unpaid volunteers. MSI Protest at 24; citing MSI AR, Tab 7, MSI Technical Proposal, at 29.⁷ In this regard, MSI states that the agency should have understood, from the use of the word “employ” in MSI’s technical proposal and the funding for survey services identified in its cost proposal, that MSI would hire and pay volunteers to collect data. Id.

The agency contends that it reasonably applied the commonly understood definition of the word volunteer and that using the word employ in conjunction with the word volunteer did not change the commonly understood definition of the word volunteer. MSI MOL at 8. Additionally, the TEC Chair states that the TEC could not have known that MSI’s cost proposal would pay data collectors because the TEC did not have access to MSI’s cost proposal or budget narrative. MSI AR, Tab 2B, TEC Chair Statement, at 41.

We find that it was not unreasonable for the agency to interpret the term volunteer in MSI’s proposal as a person serving in an unpaid position. The protester acted at its own peril when it chose not to adequately explain its approach in its technical proposal. Additionally, the agency was not required to piece together disparate parts of MSI’s proposal, i.e., its cost and technical proposals, to conclude that MSI’s “community volunteers” might be paid for their services. See James Constr., B-402429, Apr. 21, 2010, 2010 CPD ¶ 98 at 5. Thus, the agency’s interpretation of the technical proposal was reasonable.

MSI also argues that the agency’s assessment of a deficiency was disproportionate to any flaw in MSI’s approach. Protest at 24. The agency responds that it viewed the reliance on unpaid volunteers to collect data as failing to conform to standard M&E practices, and creating both a significant risk of failure, and a high likelihood of

(...continued)

outcomes, causal factors, and pathways of contribution as an integral aspect of adaptive management of the award. Id.

⁶ The agency also stated that MSI’s proposed M&E system would not meet the requirements of the PMEL plan. AR, TEC Report, at 52.

⁷ Citations in our decision are to the pages in the Adobe pdf version of the document provided by the agency.

producing results disproportionately biased towards the community. MSI MOL at 9; MSI AR, Tab 2B, TEC Chair Statement, at 41.

In our view, it was not unreasonable for the agency to conclude that reliance on unpaid volunteers who are not offered the same incentives as and potentially lack the expertise of paid, experienced employees could create a risk that information may not be collected. Similarly, we find no basis to question the agency's judgment and conclusion that collection of information by unpaid volunteers may be disproportionately biased towards the community. See MSI AR, Tab 2B, TEC Chair Statement, at 41. The protester's disagreement, without more, does not show that the agency's evaluation was unreasonable. Watts-Obayashi, Joint Venture; Black Constr. Corp., supra. Accordingly, we find no basis to challenge the agency's evaluation and assessment of a deficiency.

Eligibility for Award

Blumont next asserts that the SSA wrongly concluded that the assessed deficiencies rendered Blumont's proposal ineligible for award. Blumont Comments and Supp. Protest at 36. Specifically, Blumont contends that the language of the TEC report required the agency to engage in discussions before concluding that a proposal with a deficiency was unawardable. Id. at 36-37.

We disagree. We have explained that where, as here, a solicitation advises offerors that the agency intends to make award without discussions, there are no statutory or regulatory criteria specifying when an agency should or should not initiate discussions. Chenega Healthcare Servs., LLC, B-416158, June 4, 2018, 2018 CPD ¶ 200 at 5. Thus, we will generally not review the agency's decision not to engage in discussions.⁸ The protester has not shown, and we find no basis to conclude, that the language of the TEC report requires the agency to engage in discussions.

Source selection officials have broad discretion to determine the manner and extent to which they will make use of evaluation results, which are merely guides for the source selection official, who must use his own judgment to determine what the underlying differences between proposals might mean to successful performance of the contract. Murphy Co., B-415589, B-415589.2, Jan. 29, 2018, 2018 CPD ¶ 39 at 5. In this regard, source selection officials are not bound by the recommendations of lower-level evaluators and may disagree with, or expand upon, the findings of lower-level evaluators provided the basis for the evaluation is reasonable and documented. Id.

⁸ We reach a similar conclusion with regard to MSI's contention that it was unreasonable for the agency not to engage in discussions. MSI Protest at 26-27. Furthermore, an agency need not conduct discussions with a technically unacceptable offeror. Chenega Healthcare Servs., LLC, supra.

The record here reflects that in making the award determination, the SSA looked beyond the ratings to the content of proposals and determined that each of the deficiencies in Blumont's proposal, and MSI's for that matter, increased the risk of unsuccessful performance to an unacceptable level. AR, SSDD Report, at 4-6, 10-12, 15. On this record, we find no basis to question the SSA's conclusion that the deficiencies assessed to Blumont's and MSI's proposals and discussed above rendered each proposal ineligible for award. The protester's disagreement with the SSA's judgment does not provide a basis to sustain the protest. See e.g., Heritage Reporting Corp., B-409331.2, et al., Mar. 26, 2014, 2014 CPD ¶ 112 at 5.

Remaining Challenges

Because we conclude that the deficiencies discussed above were reasonably assessed to the protesters' technical proposals, and conclude that Blumont's and MSI's proposals were reasonably found ineligible for award based on these deficiencies, neither protester is an interested party to challenge other aspects of the agency's evaluation and selection decision. Adams & Assocs., Inc., B-417495, July 23, 2019, 2019 CPD ¶ 262 at 5. Consequently, the protesters' remaining arguments challenging the agency's evaluation of technical or cost proposals and the best-value tradeoff decision are dismissed.

The protests are denied in part and dismissed in part.

Thomas H. Armstrong
General Counsel