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**Comptroller General
of the United States**

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

Decision

Matter of: Applied Management Solutions, Inc.

File: B-291191

Date: November 15, 2002

Maurice E. Wilber for the protester.

Michael Colvin, Department of Health and Human Services, for the agency.

Susan K. McAuliffe, Esq., and Christine S. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest of agency's evaluation of protester's quotation as technically unacceptable is denied where record shows that evaluation was reasonable and consistent with solicitation evaluation criteria.

DECISION

Applied Management Solutions, Inc. protests the rejection of its quotation as technically unacceptable under request for quotations (RFQ) No. 233-02-0064, issued by the Department of Health and Human Services for the provision of support services to disaster medical response teams. Applied contends that the agency unreasonably determined that its quotation failed to demonstrate the firm's understanding of the RFQ's required scope of work and related level of effort.

We deny the protest.

The RFQ, issued on June 19, 2002, contemplated the issuance of a delivery order under the General Services Administration Federal Supply Schedule for Management, Organizational and Business Improvement Services, for the provision of certain support services to 66 National Disaster Medical System (NDMS) response teams. The NDMS, which manages the largely volunteer-based disaster response program, administers response team agreements, develops program goals, and provides team funding. The response teams themselves have their own administrative responsibilities concerning, for instance, using team funds, providing technical support for team development, procuring approved equipment, training of team members, and reporting team expenditures.

The RFQ set out the administrative support services to be provided by the successful vendor. For instance, assistance was to be provided for the distribution of program information to team leaders, technical support was to be provided to team proposal review panels, contact information was to be made available to team members for technical assistance in developing or implementing team proposals, and a team payment mechanism was to be developed and implemented. The vendor also was to provide support services related to the procurement of services and supplies (such as medical equipment or leased warehouse space), the payment or reimbursement of costs for team training, travel and vaccinations, the payment of team member salaries for attending NDMS training and managing the team, equipment inventory, recordkeeping, and the preparation of financial and other activity reports. The vendor would not necessarily be expected to provide these services to all of the 66 teams since, as the RFQ recognized, some of the NDMS response teams already have their own administrative support in the areas of procurement and payment.

The RFQ set forth two technical evaluation factors, technical approach (worth 60 points) and staffing qualifications and experience (worth 40 points); the two technical factors combined were approximately equal in weight to price. The RFQ specifically advised that each vendor's quotation must "clearly and concisely demonstrate . . . an understanding of the details and complexity of the requirements" and "include a comprehensive statement which demonstrates a complete understanding of the scope of this effort" RFQ attach. B, at 5-6.

Applied and VW International, Inc. submitted quotations by the scheduled closing time. VW's quotation was highly rated under the technical evaluation factors and offered a significantly lower price than Applied's quotation. The evaluators determined that Applied's quotation, which offered a price more than seven times higher than VW's price, envisioned an effort that greatly exceeded the RFQ's intended level of effort and that, accordingly, the quotation failed to demonstrate an adequate understanding of the RFQ's scope of work, as required under the stated evaluation factors. Consequently, Applied's quotation was rejected as technically unacceptable. A delivery order under the RFQ was issued to VW on August 15. The protester was given a debriefing as to the evaluators' findings. Following the agency's denial of its agency-level protest of the evaluation of its quotation, Applied filed the current protest with our Office again challenging the evaluation.

In reviewing an agency's technical evaluation of vendor submissions under an RFQ, we will not reevaluate the quotations; we will only consider whether the agency's evaluation was reasonable and in accord with the evaluation criteria listed in the solicitation and all applicable procurement statutes and regulations. Envirodyne Sys. Inc., B-279551, B-279551.2, June 29, 1998, 98-1 CPD ¶ 174 at 4. A protester's disagreement with the agency's judgment or its belief that its quotation deserved a higher technical rating alone is not sufficient to establish that the agency acted unreasonably. Id. Our review of the record here, consisting of the protest submissions and the agency's report, including the solicitation requirements, the quotations submitted, and the evaluation record, provides no basis whatsoever to

question the reasonableness of either the agency's determination that the quotation failed to demonstrate an adequate understanding of the scope of the required effort, or the subsequent rejection of the quotation as technically unacceptable.

While the evaluators noted that Applied's quotation was detailed, they found that some areas of the quotation were, in fact, overly detailed and "excessive of what was envisioned." Technical Evaluation Report at 1. The evaluators concluded that the quotation "would require [a] rewrite of approach and complete revision" to become acceptable. Id. The quotation was rejected because it did not adequately demonstrate the vendor's understanding of the level of effort necessary for the required scope of work. Id.

The protester first asserts that, since the RFQ failed to define limits on the effort sought, it could not prepare its quotation with any degree of certainty. Applied argues that the RFQ's generalities--such as simply requiring a "mechanism" for payment of funds--allowed a wide degree of interpretation as to the actual requirements. To the extent Applied is now challenging the terms of the solicitation, however, its challenge is clearly untimely. See 4 C.F.R. § 21.2(a)(1) (2002) (protests based upon alleged improprieties in a solicitation which are apparent prior to the time set for receipt of offers must be filed before that time); SWR, Inc., B-276878, July 29, 1997, 97-2 CPD ¶ 34 at 4.

Applied next argues that, since the RFQ allowed firms to make assumptions about performing the RFQ's requirements, and since Applied based its quotation on what it assumed were the "most likely requirements," the agency should interpret the quotation as presenting a scaled approach to the required effort, allowing for a lesser level of effort if the protester's assumptions as to the effort required were found to be inaccurate. We do not believe much discussion of this argument is warranted. It is clear that the RFQ directed the evaluators to assess the vendor's understanding of the requirements as expressed in the level of effort offered by the vendor based upon the RFQ's stated tasks and the parameters of the NDMS program. The agency therefore reasonably concluded that a vendor's assumption as to what were the "most likely requirements" was in fact a direct demonstration of the firm's understanding of the RFQ's requirements, including the required scope of work and level of effort.

Moreover, although the protester's quotation acknowledged that the RFQ level of effort was not certain, our review of the quotation does not support the protester's after-the-fact assertion that it offered the option of "scaling back" the approach in its quotation to the dramatically lower levels (i.e., approximately one-seventh of that quoted) that it now concedes may be sufficient to meet the RFQ's requirements. Since the protester has not demonstrated that any "scaling back" option was, in fact, set forth in its quotation, there was no basis for the agency to interpret the quotation as providing for the significant adjustment to effort levels that would be necessary to render the quotation acceptable or competitive.

We have reviewed each of the protester's arguments concerning every evaluation deficiency cited by the agency and conclude that the record simply does not support Applied's contentions. We provide below a discussion of some of the deficiencies found in the quotation to illustrate the reasonableness of the rejection of the firm's quotation. For instance, under the RFQ, the vendor was required to provide support services to the teams, such as by assisting in the preparation of team proposals and by summarizing training efforts in a post-training activity report. Applied's quotation includes a recommendation that its staff spend months researching and developing appropriate drills and simulations for the teams. As the agency reports, however, such an elaborate vendor research or training effort was not envisioned by the RFQ and, we believe, reasonably was determined to be excessive of stated requirements and, accordingly, indicative of the firm's failure to understand the level of effort contemplated under the RFQ.

The evaluators also had concerns about the number of labor hours quoted by Applied for high-level management personnel; the agency regarded the number of hours proposed as excessive, given the type of basic administrative support services contemplated under the RFQ. In response, Applied states that it believes it quoted a larger percentage of lower-level staff hours compared to management staff hours than was included in the VW quotation. This response provides no explanation for the substantial number of high-level personnel hours it quoted, a number which far exceeds the number quoted by VW. Accordingly, the record provides no basis to challenge the evaluators' concerns as to the number of these labor hours in the protester's quotation.

An additional illustrative example of the reasonableness of the agency's determination that Applied failed to demonstrate an adequate understanding of the agency's requirements concerns the RFQ's requirements to provide a mechanism for the reimbursement or direct payment of approved team expenses, including the payment of team member salaries for certain tasks. Applied apparently understood the payroll requirement to be a complex effort that it concluded would be better handled by a national payroll company, as its subcontractor, because another approach would leave the agency to have to "reconcile the processing of 8,000 checks per month." Protest at 11. The protester, however, provides no support for this statement, or for the asserted need for the elaborate payroll system it describes in its quotation. Clearly, the protester has demonstrated that it understands the payment system required under the RFQ to be complex and entailing thousands of checks payable to team members each month. The agency evaluators found this to be a serious misunderstanding of the RFQ's requirements, and we have no reason to question the reasonableness of that determination. In fact, the record is quite clear that, contrary to Applied's understanding, the RFQ's payment requirements are relatively limited in scope. Payment services were to be provided only for teams that did not already have a payment system in place. Even where payment services were to be provided, the vendor was to arrange payment for only limited expenses--such as occasional travel, training (estimated at twice yearly), and salaries for team administration and management tasks. Since Applied's assumption as to the

magnitude of the effort is simply not supported by the RFQ's terms, we again have no reason to question the reasonableness of the evaluation and the subsequent rejection of the firm's quotation, consistent with the evaluation terms of the RFQ, for failure to demonstrate the requisite understanding of the agency's requirements.

The protest is denied.

Anthony H. Gamboa
General Counsel