

United States Government Accountability Office Washington, DC 20548 **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: Sabre Systems, Inc.

**File:** B-402040.2; B-402040.3

**Date:** June 1, 2010

Lee P. Curtis, Esq., Troy E. Hughes, Esq., and Maggie L.C. Greenlee, Esq., Perkins Coie LLP, for the protester.

Claude P. Goddard, Esq., Daniel J. Donohue, Esq., and Sarah M. Graves, Esq., Husch Blackwell Sanders LLP, for STG, Inc., an intervenor.

James E. Hicks, Esq., Department of Justice, Drug Enforcement Administration, for the agency.

Paul E. Jordan, Esq., and John M. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

## DIGEST

1. Where statement of work required effective communication at various levels and maintenance of control documents such as customer service administrator (CSA) manuals, evaluation of protester's proposal was unobjectionable where record shows agency reasonably assessed weaknesses based on failure to identify the role and functions of additional person in communication initiative and absence of sufficient detail on CSA manual updates.

2. Where evaluated defects in protester's proposed work breakdown structure and communication initiative first appeared in revised proposal, agency was not required to reopen discussions to give protester an opportunity to remedy those defects. **DECISION** 

Sabre Systems, Inc., of Warminster, Pennsylvania, protests the issuance of a task order to STG, Inc., of Reston, Virginia, under solicitation No. D-09-HQ-Q-0022, issued by the Department of Justice, Drug Enforcement Administration (DEA), for information technology support services. Sabre challenges the evaluation of its proposal.

We deny the protest.

### BACKGROUND

The solicitation sought proposals for worldwide field office and headquarters on-site information technology (IT) support services for maintaining DEA's network environment and assisting end users with gaining access to and utilizing network resources.<sup>1</sup> The solicitation contemplated issuance of a time-and-materials task order under the successful vendor's General Services Administration COMMITS-NextGen contract for a 2-year base period, with 2-year and 1-year options. Performance requirements—including human resources, security, and deliverables—were identified in a detailed statement of work (SOW). Proposals were to be evaluated on a "best value" basis under three factors (in descending order of importance)—technical, past performance, and price. The technical factor was divided into four subfactors—demonstrated understanding of the requirement, qualifications/experience of personnel, organizational experience, and management/technical approach. Non-price factors were more important than price.

Three vendors, including Sabre and STG, submitted proposals, which were evaluated by a technical evaluation panel (TEP). After the initial evaluation, all three proposals were included in the competitive range. The vendors received a copy of their individual TEP report listing major strengths and weaknesses, and were invited to submit responses to the agency's concerns. Based on the review of the discussion responses and final proposal revisions (FPR), the TEP rated both Sabre's and STG's proposals very good overall under the technical factor and low risk under the past performance factor. The contracting officer recommended issuance of the task order to STG at a higher price than Sabre's based on a price/technical tradeoff that noted STG's technical advantages, and the source selection authority (SSA) concurred. After a debriefing, Sabre filed a protest with our Office, challenging the technical evaluation, discussions, and source selection. In response, DEA notified us that it would take corrective action--it would reevaluate the proposals, reopen discussions if necessary, and make a new source selection with a new SSA. We dismissed Sabre's protest as academic (B-402040, Oct. 30, 2009).

In the reevaluation, the TEP rated Sabre's proposal good overall, with low past performance risk, and rated STG's proposal very good overall, with low past performance risk. The contracting officer again recommended issuance of the task order to STG, recognizing its higher technical rating--based on 15 strengths, complete responsiveness to all identified weaknesses, and lowest level of risk. In

<sup>&</sup>lt;sup>1</sup> Although the solicitation identified itself as a request for proposals, the solicitation number indicated that it was a request for quotations. In any case, the term "proposal" as opposed to "quotation," appears repeatedly throughout the solicitation, and the solicitation contemplated an evaluation and source selection scheme similar to those in negotiated procurements. For the sake of consistency, our decision adopts the terminology used by the solicitation.

making a tradeoff between Sabre's and STG's proposals, the contracting officer found that STG's \$43.9 million price (approximately \$336,000 higher than Sabre's) was justified by the technical advantages in its proposal, and the SSA concurred. After a debriefing, Sabre filed this protest.

#### DISCUSSION

Sabre challenges the evaluation and source selection on several grounds. In considering a protest of an agency's evaluation of proposals, our review is confined to determining whether it was reasonable and consistent with the terms of the solicitation and applicable statutes and regulations. <u>See United Def. LP</u>, B-286925.3 <u>et al.</u>, Apr. 9, 2001, 2001 CPD ¶ 75 at 10-11. We have considered all of Sabre's arguments and, as discussed below, find that they either lack merit or that the agency's actions did not result in competitive prejudice to the protester. We address Sabre's more significant protest grounds below.

#### **Technical Evaluation**

Sabre asserts that the re-evaluation was inadequate and resulted in the identification of unreasonable new weaknesses. Specifically, Sabre maintains that the TEP improperly assigned its proposal weaknesses regarding its proposing a deputy project manager (DPM) as part of its communication initiative and its failure to address "big picture" challenges.

The evaluation in this area was unobjectionable.<sup>2</sup> The solicitation required vendors to demonstrate their understanding and management of important events or tasks. Solicitation at L-5. The SOW required maintenance of effective communications to ensure the successful accomplishment of all contract requirements. SOW § 3.6.4. In

<sup>&</sup>lt;sup>2</sup> In a related argument, Sabre asserts that the source selection decision was flawed because the evaluation identified a weakness that did not apply to its proposal. Sabre Comments at 18; Supplemental Comments at 15-16. While the record shows that the SSA's decision did mistakenly include a weakness inapplicable to Sabre's proposal, there is no basis to conclude that Sabre was prejudiced. The source selection decision was based on the SSA's review of and concurrence with the contracting officer's recommendation, which in turn was based on a detailed listing of the different proposals' strengths, weaknesses, and risks, culminating in the conclusion that STG's technical advantages justified its higher price. Source Selection Decision at 6. In view of STG's 15 listed strengths, with no weaknesses and low risk, compared to Sabre's 7 strengths, 7 valid weaknesses, and potentially high risk, there is no reason to believe that the additional weakness had any effect on the relative standing of the proposals or the source selection. <u>See Joint Mgmt. & Tech.</u> <u>Servs.</u>, B-294229, B-294229.2, Sept. 22, 2004, 2004 CPD ¶ 208 at 7 (prejudice is an essential element of every viable protest).

its initial proposal, Sabre identified "clear lines of communication" as one key to successful management and control. Sabre Proposal at 15. However, the TEP found that Sabre's communication initiatives failed to clearly define the different roles and responsibilities needed to properly implement the new responsibilities. Initial Evaluation at 1. In response to this concern, Sabre's FPR added a DPM as part of its line of communication. Sabre FPR at 17-18. In evaluating the FPR, the TEP acknowledged that Sabre had provided additional details, but found that in adding the DPM--a position not required by the SOW--Sabre had failed to clearly identify or define the DPM's role. FPR Evaluation at 10.

In her source selection recommendation, the contracting officer identified the lack of information on the DPM's identity, duties, and functions as representing a potentially significant performance risk including the possibility that service tickets could remain open for an unacceptable amount of time; incorrect or obsolete technical procedures could be followed; issues might not be monitored effectively; and breakdowns in communication could occur. Since the solicitation expressly required effective communications at various levels, the agency properly considered Sabre's proposed lines of communication in the evaluation. Likewise, since Sabre introduced its DPM as part of its communications solution, without identifying the DPM's role and functions, we see nothing unreasonable in the agency's assigning the proposal a weakness for the lack of detail, and concluding that this undefined layer of communication increased performance risk.

As part of the requirement that the contractor maintain effective communications to ensure successful performance, the SOW identified 14 tasks, including a requirement to provide information, advice, and recommendations for achieving efficiencies and other process improvements and for applying new or updated technologies. SOW § 3.6.4. The SOW also called for development and maintenance of updated control documents, including the customer service administrator (CSA) manual. Id. § 3.8.3. Under the demonstrated understanding subfactor, the TEP assigned a weakness to Sabre's initial proposal for failing to adequately address the firm's understanding of the "overarching, big picture challenges" facing DEA in providing field support services. Initial Evaluation at 2. The TEP found that Sabre's FPR was only partially responsive to its concerns and that a weakness remained in the FPR based on its failure to place an emphasis on how the CSA manuals and procedures would be kept up to date and maintained to reflect DEA's changing enterprise architecture requirements and to ensure that the documentation was current with updated technologies to which DEA would migrate its network. FPR Evaluation at 10. Sabre maintains that assignment of this weakness was unreasonable.

Again, we find that the evaluation was unobjectionable. The weakness was based on Sabre's FPR response to the "big picture" challenge concern raised during discussions, in which Sabre noted that the contract effort was "daunting" because of the criticality of keeping DEA's complex network up and running. Sabre Discussions Response at 3. The response went on to identify Sabre's CSAs as key to its success, and stated that its CSA's

must also stay current on new and emerging IT technologies as DEA continues to upgrade [its] servers and workstations [and that] [a]s new operating systems and configurations are deployed, [it was] committed to keeping [its] personnel up to date on this technology.

<u>Id.</u> at 5. However, Sabre's FPR did not specifically address how it would achieve its stated goals of keeping its personnel current and up to date on changes. Given that Sabre would be responsible for developing and maintaining updated CSA manuals under the contract, and Sabre's own recognition of the importance of this task, the agency reasonably assigned its proposal a weakness for lack of further detail under this subfactor.

Noting that the original FPR evaluation identified 12 strengths in its proposal, Sabre asserts that the agency improperly reduced the number of strengths to 6 in its re-evaluation. This assertion is untimely. Protests that are based on other than solicitation improprieties must be raised within 10 days of when a protester learns its basis of protest. Bid Protest Regulations, 4 C.F.R. § 21.2(a)(2) (2010). Sabre asserts that its protest is timely because it was filed within 10 days after Sabre received the agency report, which included the TEP report showing fewer strengths than were identified in the competitive range notice it received on August 28, 2009. Supplemental Agency Report Comments at 9. However, the record shows that Sabre was on notice of the differing number of strengths on February 19, 2010, the date of its debriefing on the new award decision. Agency Report, Tab 7, Sabre Debriefing. Since Sabre did not raise this issue until approximately 1 month later, it is untimely and will not be considered.<sup>3</sup>

<sup>&</sup>lt;sup>3</sup> Sabre also asserts that the agency improperly lowered its score in the re-evaluation--from very good to good--for the demonstrated understanding subfactor and the overall technical factor, even though Sabre's number of weaknesses did not change from one evaluation to the next. Protest at 10. This assertion is without merit. The fact that the re-evaluation varied from the original evaluation does not constitute evidence that the re-evaluation was somehow unreasonable; it is implicit in the underlying purpose of a re-evaluation that it could result in different findings and conclusions. In any case, even though the overall number of weaknesses may not have changed, in light of the presence of multiple weaknesses under both the demonstrated understanding and management/technical subfactors, there is no basis for us to object to the rating of Sabre's proposal as good rather than very good under the subfactor and the factor overall.

#### Meaningful Discussions

Sabre asserts that the agency failed to provide it with meaningful discussions regarding previously unidentified weaknesses under the demonstrated understanding and management/technical approach subfactors. For example, it maintains that the weaknesses related to its DPM, quality assurance surveillance plan, updated CSA manuals, and work breakdown structure (WBS) stemmed from issues present in its original proposal and were unrelated to the discussion questions raised, such that it was not on notice of the specific issues of concern to the agency.

When an agency engages in discussions with an offeror, the discussions must be meaningful, that is, they must lead the offeror into the areas of its proposal that require correction or amplification. <u>Hanford Envtl. Health Found.</u>, B-292858.2, B-292858.5, Apr. 7, 2004, 2004 CPD ¶ 164 at 8. However, an agency is not obligated to reopen negotiations to give an offeror the opportunity to remedy a defect that first appears in a revised proposal. <u>American Sys. Corp.</u>, B-292755, B-292755.2, Dec. 3, 2003, 2003 CPD ¶ 225 at 8.

The discussions here were unobjectionable. For example, the agency's initial discussions noted that Sabre's WBS did not provide sufficient detail to depict all SOW requirements. In our view, the initial question was sufficient to lead Sabre to provide a response that included a more detailed WBS, and the TET found Sabre's response to this weakness to be adequate during the FPR evaluation. In re-evaluating the FPRs, however, the TEP came to a different conclusion based on its identifying continuing weaknesses, specifically, missing milestones regarding some operational tasks and deliverables. There was nothing unreasonable or improper in the TEP's changing its original view as to the adequacy of Sabre's discussions response based on the re-evaluation. Since the identified weaknesses represented defects first appearing in Sabre's FPR in response to the original discussions-rather than newly identified weaknesses in Sabre's initial proposal--the agency was not required to reopen negotiations to provide Sabre another opportunity to respond.

We reach the same conclusion with regard to Sabre's proposed DPM. As mentioned above, during the original discussions, the TEP identified a weakness regarding Sabre's failure to clearly identify the different roles and responsibilities related to implementing its communications initiatives. TEP Evaluation at 10. When Sabre's FPR added a DPM as part of its solution, the TEP identified a new weakness based on the lack of information on this individual; since the weakness was introduced in Sabre's FPR, the agency did not raise the matter again. <u>Id.</u> Sabre argues that, since its initial proposal mentioned the DPM (<u>e.g.</u>, in its organization chart and part of its risk review team), but did not then identify him, his role, or his function, the DPM concern really was a weakness in its original proposal--rather than a new weakness-that the agency should have raised during the original discussions. Thus, once the agency's re-evaluation identified the lack of that information as a weakness, the agency was required to re-open discussions to address it. <u>See Lockheed Martin</u>

Simulation, Training & Support, B-292836 et al., Nov. 24, 2004, 2005 CPD ¶ 27 at 11 (where weakness, present in initial proposal, is identified for first time in reevaluation, agency must discuss the new weakness).

We disagree. The fact that Sabre's initial proposal contained little information on the DPM is irrelevant; it was Sabre's proposing the DPM as part of its communication initiatives, without detailed information, that led to the agency's specific concern. Prior to that time, the agency had no specific reason to be concerned about the lack of detail on the DPM's role and function. Once Sabre proposed the DPM as part of its solution to an identified weakness, it was Sabre's responsibility to provide complete information. <u>See Carlson Wagonlit Travel</u>, B-287016, Mar. 6, 2001, 2001 CPD ¶ 49 at 3 (offeror is responsible for submitting an adequately written proposal). Its failure to do so here led to a new evaluated weakness, which--because it was introduced for the first time in its FPR--did not obligate the agency to reopen discussions following the re-evaluation. <u>American Sys. Corp.</u>, <u>supra</u>.

The protest is denied.

Lynn H. Gibson Acting General Counsel