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## Decision

**Matter of:** Sigmatech, Inc.

**File:** B-406288.2

**Date:** July 20, 2012

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Ira E. Hoffman, Esq., Shulman, Rogers, Gandal, Pordy & Ecker, P.A., for the protester.

Lawrence S. Sher, Esq., Gunjan R. Talati, Esq., and Joelle E. K. Laszlo, Esq., Reed Smith LLP, for CAS, Inc., the intervenor.

Capt. Travis P. Sommer, Esq., Department of the Army, for the agency.

Linda C. Glass, Esq., and Guy R. Pietrovito, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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### DIGEST

Protest challenging agency's evaluation of the protester's proposal and award determination is denied where the record demonstrates that the evaluation and source selection decision were reasonable and consistent with the solicitation's evaluation criteria.

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### DECISION

Sigmatech, Inc., of Huntsville, Alabama, protests the issuance of a task order to CAS, Inc., of Huntsville, Alabama, under request for quotations (RFQ) No. 2011P-4, issued by the Department of the Army, Army Aviation and Missile Command (AMCOM), under its Expedited Professional and Engineering Support Services (EXPRESS) Program for Lower Tier Project Office (LTPO) Missile Systems Independent Integration Analysis advisory and assistance services. The protester challenges the technical evaluation of its quotation and the agency's selection decision.

We deny the protest.

### BACKGROUND

AMCOM EXPRESS is a blanket purchase agreement (BPA) program utilizing General Services Administration (GSA) Federal Supply Schedule contractors to acquire advisory and assistance services in four domains, including the

programmatic domain at issue here. Contracting Officer's Statement at 1. The solicitation was issued to programmatic domain BPA holders and stated that the requirement was reserved for small businesses. RFQ at 1. The RFP required vendors to identify a socio-economic status for themselves and for each subcontractor/team member used in the quotation. Id. The solicitation and the BPAs permitted vendors to provide for a direct award to a small business team member. If a direct award was to be made, the direct awardee's commercial and government entity (CAGE) code and data universal numbering system (DUNS) number were also to be provided. See RFQ at 1; see also Sigmatech's BPA at 14.

The solicitation provided for the issuance of a fixed-price, level-of-effort task order on a best value basis for programmatic advisory and assistance support services for the PATRIOT Missile defense system for up to five years. The RFQ identified the following evaluation factors, listed in descending order of importance: experience, functional approach, price and socio-economic support. RFQ, Evaluation Criteria, at 1. Vendors were informed that the experience and functional approach factors combined were substantially more important than price and the socio-economic support factor combined. Id. at 2.

Instructions for the preparation of quotations were provided. With respect to the experience factor, vendors were required to submit up to 3 examples, demonstrating experience in support of all aspects of the performance work statement (PWS), and to explain how their experience related to the PWS and any significant positive impact as a result of the effort. Id. at 3. The solicitation stated that the depth and breadth of the vendor's experience in the requirements of the task order PWS and with the systems supported by the task order PWS would be evaluated. Id. at 1. The RFQ provided that, if a vendor had no direct experience in supporting the specific system, then experience on related systems would be evaluated.<sup>1</sup> Id.

With respect to price, the solicitation required vendors to submit an excel spreadsheet applying proposed task order labor rates to proposed labor hours. Id. at 3. Along with their proposed task order rates, vendors were instructed to provide their BPA rates and GSA schedule rates and labor categories. The RFQ required that the task order rates not exceed the vendors' GSA and BPA rates. Id.

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<sup>1</sup> Quotations were evaluated under the experience factor as outstanding, very good, satisfactory, and marginal. See AR, Tab Q, Sigmatech Experience Evaluation Worksheet, at 8. An outstanding rating reflected experience samples that directly relate to every aspect of the PWS requirements, that clearly defined and represented very extensive performance, and that demonstrate there would be virtually no risk to the government. Id. A very good rating reflected experience samples that relate to most PWS requirements.

With respect to the socio-economic support factor, the solicitation provided that the government would evaluate the extent of the vendor's support of small business/socio-economic programs and would consider whether the vendor, or its proposed direct awardee, was a small business.<sup>2</sup> Id. The evaluation would also consider whether the vendor's quotation provided for the performance of a majority of the effort by small business concerns. Id.

The Army received quotations from three of the seven BPA holders, including CAS (the incumbent) and Sigmatech. CAS, a large business, provided for a direct award to its small business team member, Intuitive Research and Technology Corporation (IRTC) and stated that small businesses would perform [Deleted] percent of the work and that large businesses would perform [Deleted] percent. Agency Report (AR), Tab V, Source Selection Decision, at 14. Sigmatech, a small business, in its quotation provided for a team consisting of 15 members, [Deleted] of which were small businesses. See Sigmatech's Final Quotation at 20. In this regard, Sigmatech stated that small businesses would perform [Deleted] percent of the work and large businesses would perform [Deleted] percent. Id.

The vendors' quotations were evaluated under the experience and functional approach factors by the agency's source selection evaluation board (SSEB). The EXPRESS office evaluated the vendors' prices and quotations under the socio-economic factor. The Army conducted discussions with all three vendors and obtained and evaluated revised quotations. Contracting Officer's Statement at 4. The source selection authority (SSA) reviewed the evaluation results and concluded that CAS's quotation was the best value to the government. The task order was issued to CAS, and Sigmatech protested to our Office. In response to the protest, the agency decided to take corrective action and reevaluate the revised quotations. Sigmatech withdrew its protest.

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<sup>2</sup> Quotations were evaluated under the socio-economic support factor as outstanding, satisfactory, and marginal. AR, Tab S, Sigmatech Price/Socio Economic Evaluation Worksheet, at 4. An outstanding rating reflected that the vendor, or its proposed direct awardee, was a small business and proposed to use a small business to perform the majority of the PWS requirements. A satisfactory rating reflected that the vendor was a large business and provided that a small business would perform a majority of the PWS requirements, or that the vendor, or its proposed direct awardee, was a small business and did not provide that a small business would perform a majority of the PWS requirements. Id.

The vendors' quotations were reevaluated as follows:

	<b>CAS</b>	<b>Sigmattech</b>	<b>Vendor A</b>
Experience	Outstanding	Very Good	Marginal
Functional Approach	Outstanding	Outstanding	Satisfactory
Price	\$192,518,896	\$181,237,234	\$231,374,208
Socio-Economic	Satisfactory	Satisfactory	Outstanding

Contracting Officer's Statement at 7.

CAS's outstanding rating under the experience factor reflected the SSEB's judgment that CAS had demonstrated extensive depth and breadth of experience and performance capability directly related to all aspects of the PWS and that CAS had provided experience examples for 129 of the 132 PWS requirements.<sup>3</sup> AR, Tab V, Source Selection Decision, at 2. In this regard, the SSEB found that CAS's proposal had 10 strengths and no weaknesses under this factor. Id. at 8.

Sigmattech's very good rating under the experience factor reflected the SSEB's judgment that Sigmattech had demonstrated an extensive depth and breadth of experience and performance capability that related to most (113 out of 132) but not all of the PWS requirements. Id. at 3. The SSEB found that Sigmattech's proposal had 6 strengths and 1 weakness. The SSEB also found that most of the strengths under this factor were not directly related to the PATRIOT system, and that this presented some performance risk. Id. Of the PWS requirements, for which Sigmattech identified experience, the SSEB found that only 67 examples were directly related to LTPO program system requirements. Id. at 8.

CAS and Sigmattech received identical ratings under the functional approach and socio-economic support factors. Under the functional approach factor, the agency found that both firms demonstrated excellent understanding of the PWS requirements and provided approaches that posed "virtually no risk to the Government." Id. at 14. Under the socio-economic support factor, the SSA concurred with the SSEB's assessment that both firms' proposals were satisfactory under this factor. The SSA recognized, however, that Sigmattech had proposed to perform a greater percentage of the work with small businesses than did CAS

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<sup>3</sup> The SSEB and SSA, while recognizing that the definition for an outstanding rating is that an offeror's experience directly relates to every aspect of the PWS requirements, concluded that CAS's comprehensive experience for 97.7 percent of the PWS requirements demonstrated extensive performance capability that was virtually risk free, regardless of whether CAS's proposal was rated outstanding or very good under the experience factor. See AR, Tab V, Source Selection Decision, at 2.

([Deleted] percent and [Deleted] percent respectively) and that this was acceptable and consistent with the firms' BPAs. Id.

The SSA reviewed the SSEB's evaluation of quotations, agreeing with the evaluators' assignment of ratings and underlying strengths and weaknesses under each of the evaluation factors. The SSA recognized that Sigmatech's quotation was lower priced than CAS's, but found that CAS's quotation was technically superior to the protester's quotation under the experience factor.<sup>4</sup> In this regard, the SSA found that CAS's experience was more directly related to the LTPO system program support and far exceeded the benefits associated with Sigmatech's experience that was only similar to LTPO systems support. Id. at 9. The SSA concluded that the risks to cost, schedule and performance associated with Sigmatech's lack of experience in several key areas of the PWS greatly outweighed the firm's slight price advantage. Id. at 16. The SSA thus determined that CAS's risk-free, superior quotation was worth the approximately 6 percent price premium.

Award was made to CAS, and, after a debriefing, Sigmatech filed this protest.

## DISCUSSION

### Experience Factor

Sigmatech challenges the Army's determination that CAS's experience was superior to Sigmatech's, where CAS's experience was rated outstanding and Sigmatech's was rated very good. In this regard, Sigmatech complains that, even though Sigmatech itself did not have "direct" experience with the PATRIOT missile program, the Army failed to recognize that its team members did have such experience. Protest at 5. Sigmatech also complains that the Army failed to recognize that Sigmatech had extensive AMCOM programmatic domain experience, and challenges the Army's conclusion that Sigmatech had failed to identify experience for 19 PWS requirements. Protest at 9.

The evaluation of a proposal or quotation is a matter within the agency's discretion. Ball Aerospace & Techs. Corp., B-402148, Jan. 25, 2012, 2010 CPD ¶ 37 at 9. In reviewing a protest against an agency's evaluation, our Office will not reevaluate quotations but instead will examine the record to determine whether the agency's

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<sup>4</sup> Although the SSA stated in one place in his selection decision that CAS's quotation was clearly superior to Sigmatech's quotation "under all Non-Price factors," see AR, Tab V, Source Selection Decision, at 15, the selection decision in its entirety made clear that the SSA did not view CAS's quotation as being superior to Sigmatech's under the functional approach and socio-economic support factors. See, e.g., id. at 4, 6, 14.

judgment was reasonable and consistent with the stated evaluation criteria and applicable procurement statutes and regulations. Torres Advanced Enter. Solutions, LLC, B-403036, Aug. 18, 2010, 2010 CPD ¶ 197 at 2. With respect to color or adjectival ratings, we have recognized that they are merely guides for intelligent decision-making in the procurement process. Citywide Managing Servs. Of Port Washington, Inc., B-281287.12, B-281287.13, Nov. 15, 2000, 2001 CPD ¶ 6 at 11. Where an agency reasonably considers the underlying bases for the ratings, including the advantages and disadvantages associated with the specific content of competing proposals, in a manner that is fair and consistent with the terms of the solicitation, the protester's disagreement over the adjectival or color ratings is essentially inconsequential in that it does not affect the reasonableness of the judgments made in the source selection decision. Sherrick Aerospace, B-310359.2, Jan. 10, 2008, 2008 CPD ¶ 17 at 6.

Here, the record shows that the agency reasonably evaluated the firms' quotations under the experience factor. That is, as explained below, the Army assessed the quantity and quality of the experience presented by each firms' quotation in determining that CAS presented superior experience.

With respect to Sigmatech's very good rating under the experience factor, the agency found that Sigmatech provided a depth and breadth of experience that was directly related to most (113 of 132) of the PWS requirements. See AR, Tab Q, Experience Evaluation Worksheet. In this regard, Sigmatech was credited for demonstrating directly relevant experience with the PATRIOT missile program with respect to 67 PWS requirements and demonstrating experience with related systems with respect to 46 PWS requirements. Id. at 4.

Although Sigmatech challenges the agency's determination that the firm did not demonstrate relevant experience with respect to 19 PWS requirements, we have reviewed the record with respect to these requirements and find that Sigmatech in fact did not demonstrate relevant experience that addressed each particular PWS requirement. For example, paragraph 4.2.2.15 of the PWS provided that "[t]he contractor shall perform independent evaluation and analysis of specified elements of program plans, costs, schedules, and associated data integrations." The Army found that Sigmatech did not reference experience performing independent evaluation of program plans, costs, schedules, and associated data integrations. Contracting Officer's Statement at 11. In its comments, Sigmatech admits that it did not expressly address this PWS requirement in its quotation, but argues without citation to its quotation, or explanation, that its quotation otherwise addressed each of the elements in the paragraph. See Protester's Comments at 12. Without citation to its quotation or explanation as to how it satisfied this PWS requirement, we are

unable to credit Sigmatech's argument that it demonstrated relevant experience satisfying this requirement.<sup>5</sup>

As another example, paragraph 5.2.14 of the PWS provided that the contractor would, among other things:

develop 2D/3D graphic and tabular methods of representing LTPO missile system threats, deployments, and other elements of the battle space presentation. This includes development and maintenance of analysis tools such as the PATRIOT Analysis Tool, PATRIOT Telemetry Analysis Graphing Software, Virtual Intercept Engagement Workstation Software, PATRIOT Endgame Reconstruction Software, and Debris.

The Army found that, although Sigmatech demonstrated experience using PATRIOT analysis tools, it had not shown experience developing and maintaining these tools. Contracting Officer's Statement at 12. Although Sigmatech disagrees with this assessment, it has not shown it to be unreasonable. See Protester's Comments at 13.

In short, we find no basis from our review of the record to question the agency's assessment that Sigmatech demonstrated very good experience, where a very good rating reflected experience that related to most PWS requirements. See AR, Tab Q, Sigmatech Experience Evaluation Worksheet, at 8.

The protester also challenges the Army's evaluation of CAS's experience as outstanding and superior to Sigmatech's. In this regard, Sigmatech complains that CAS received an outstanding rating under the experience factor, even though the evaluators found that CAS had not demonstrated directly related experience with 3 of the 132 PWS requirements. Although the Army defined an outstanding rating under this factor as reflecting experience under all aspects of the PWS requirements, see id. at 8, the record shows that the SSEB and SSA were aware that CAS had not demonstrated experience with all of the PWS requirements. See, e.g., AR, Tab V, Source Selection Decision, at 2. The SSA concluded that the three PWS requirements for which CAS did not show experience were not related to each other and were relatively minor. Id. The SSA concluded that, whether CAS's experience was rated outstanding or very good, CAS had "demonstrate[d] extensive performance capability" and its experience indicated that CAS presented virtually no

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<sup>5</sup> Sigmatech similarly agreed that its quotation failed to expressly address PWS requirements in paragraphs 4.2.2.16, 4.2.2.21 and 4.2.2.24, but unpersuasively argued without citation to its quotation, or explanation, that its quotation otherwise addressed each of the elements in the paragraph. See Protester's Comments at 12.

risk. Id. Although Sigmatech disagrees with the agency's judgment in this regard, it has not shown that the agency acted unreasonably.

Sigmatech also complains that the Army unreasonably gave significantly greater weight to CAS's direct experience over Sigmatech's relevant, but not direct, experience, where the RFQ stated that, if a firm had "no direct experience in supporting the specific system, experience gained on related systems will be evaluated." Protest at 6, citing RFQ, Evaluation Criteria, at 1. We disagree with Sigmatech that this solicitation provision prevented the agency from concluding that direct experience was of greater value than related experience. In this regard, we have found that an agency may reasonably assign a higher rating for directly related experience even where such experience was not stated to be a requirement. See, e.g., Sage Diagnostics, B-222427, July 21, 1986, 86-2 CPD ¶ 85 at 3.

#### Socio-Economic Support Factor

The protester also contends that CAS's quotation should have been rated marginal, rather than satisfactory, under the socio-economic factor because CAS, a large business, intends to use IRTC, a small business, to perform only [Deleted] percent of the work. Protester's Comments at 16.

As explained, the RFQ provided that the government would evaluate the extent of the offeror's support of small business/socio-economic programs. RFQ, Evaluation Criteria, at 1. This was to include whether the offeror, or its proposed direct awardee was a small business and whether the majority of the effort would be performed by small business. Id. The agency maintains that its evaluation of the socio-economic support factor was consistent with the RFQ.

We agree. The record shows, that the agency defined a satisfactory rating for the socio-economic support factor as follows:

The offeror is designated as a large business and proposes to utilize small business to perform a majority of the PWS requirements or; the offeror, or its proposed direct awardee, is designated as a small business and does not propose to utilize small business to perform a majority of the PWS requirements.

AR, Tab S, Price/Socio-Economic Support, at 4. Here, the record shows that both CAS and Sigmatech received a satisfactory rating for the socio-economic support factor because neither proposed to utilize small business concerns to perform a majority of the requirements. This was consistent with the definition of a satisfactory rating. Further, notwithstanding the satisfactory ratings, the record shows that the SSA considered Sigmatech's small business participation rate to be an advantage over CAS's, but the SSA concluded that CAS's superior technical proposal justified the price premium. AR, Tab V, Source Selection Decision, at 16. Consequently,

even if we were to agree that the CAS quotation deserved only a marginal rating for socio-economic support, we do not find any reasonable possibility that this would have impacted the SSA's selection decision, given the SSA's consideration of the underlying bases for the firms' ratings under this factor.<sup>6</sup>

#### Source Selection Decision

The protester challenges the SSA's cost/technical tradeoff, complaining that the SSA's consideration of risk in the selection decision was unreasonable. Protester's Comments at 17.

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. Information Network Sys., Inc., B-284854, B-284854.2, June 12, 2000, 2000 CPD ¶ 104 at 12.

Here, the record shows that the SSA reviewed the SSEB's evaluations and made a thorough comparison of the quotations. The selection decision was driven by his conclusion that CAS demonstrated more directly relevant experience (with the same system) as compared to Sigmatech's quotation (which predominantly showed experience with similar systems). The SSA found that CAS's more direct experience provided less risk to the agency. Although the protester disagrees with this judgment, it has not shown it to be unreasonable. To the extent that Sigmatech believes that risk could not be considered, we note that agencies may always consider risk to successful performance, where, as here, that risk is intrinsic to

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<sup>6</sup> The protester argues that discussions were inadequate because the agency never mentioned that Sigmatech's failure to cite "directly related" experience for the 19 PWS requirements was a significant weakness. Protester's Comments at 14. The record shows, however, that the evaluators did not consider this failure to be a weakness and in any event, the protester does not claim that it could have improved its competitive position had discussions been held with respect to the 19 requirements. The protester also argues that the discussions about its crosswalk (evidence that proposed labor categories were consistent with those on the offeror's GSA schedule) was misleading and caused Sigmatech to increase its price in the revised quotation. Id. However, there is simply nothing in the record to suggest that the agency encouraged the protester to raise its prices. Sigmatech was requested to verify its crosswalk which in accordance with the solicitation had to be consistent with Sigmatech's BPA and GSA schedule.

stated evaluation factor. AIA-Todini-Lotos, B-294337, Oct. 15, 2004, 2004 CPD ¶ 211 at 5.

The protest is denied.

Lynn H. Gibson  
General Counsel