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Decision

Matter of: HP Enterprise Services, LLC

File: B-411205; B-411205.2

Date: June 16, 2015

Richard J. Conway, Esq., Michael J. Slattery, Esq., and Philip E. Beshara, Esq., Dickstein Shapiro LLP, for the protester.

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Marie Cochran, Esq., General Services Administration, for the agency.

Louis A. Chiarella, Esq., and Nora K. Adkins, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Challenge to the agency's evaluation of the protester's quotation as technically unacceptable is denied where the evaluation was reasonable and consistent with the terms of the solicitation.

DECISION

HP Enterprise Services, LLC (HPES), of Plano, Texas, protests the issuance of a task order to Knowledge Consulting Group (KCG), of Reston, Virginia, under request for quotations (RFQ) No. GSC-QF0B-BPA-14-32847, issued by the General Services Administration (GSA) for continuous diagnostics and mitigation (CDM) tools and continuous monitoring as a service (CMaaS), for the Department of Homeland Security (DHS). HPES argues that the agency's evaluation of its technical approach quotation was improper.

We deny the protest.

BACKGROUND

The RFQ was issued on July 8, 2014, to 17 GSA CDM/CMaaS blanket purchase agreement (BPA) holders, including KCG and HPES.¹ These BPAs were previously issued under the vendors' GSA Federal Supply Schedule (FSS) contracts.

The RFQ contemplated the issuance of a hybrid fixed-price, labor-hour, and cost-reimbursement task order for a base year with two 1-year options.² In general terms, the contractor was to design, build, and operate a CMaaS solution, including CDM tools and sensors, to fill gaps in DHS's existing information technology (IT) infrastructure and to achieve a common set of capabilities.³ SOW §§ 2.1, 2.2; Contracting Officer's Statement, Apr. 8, 2015, at 1. The RFQ established that award would be made on a best-value basis, based on four evaluation factors: technical approach, management approach, key personnel and project staffing, and price. RFQ §§ 12.1, 12.4. The nonprice factors were in descending order of importance and, when combined, were more important than price. RFQ § 12.4.

The RFQ established that vendors' technical approaches would be evaluated based on demonstration of the following: (1) a robust, feasible technical solution encompassing both common and DHS component-unique requirements (“[i]t is preferable for the [vendor] to propose a suite of tools that leverages the DHS Components' installed base”); (2) a robust, feasible methodology for promptly achieving and sustaining a steady state operations and maintenance environment; (3) a robust, reliable approach to meeting DHS and DHS component security requirements; (4) an effective, thorough plan for testing and evaluating the solution; (5) an effective, efficient approach to project logistics; and (6) an effective response to fulfilling the numbered tasks, meeting DHS systems engineering life cycle requirements, and achieving an efficient schedule for delivery and integration of CDM products, implementation of the solution, and deployment in production. RFQ § 12.4.2.

¹ The RFQ was subsequently amended four times. Unless specified otherwise, all references are to the final, conformed version of the solicitation.

² The RFQ provided vendors with the specific labor categories and amounts for the labor-hour contract line item numbers (CLIN), to which vendors' labor rates were applied, as well as “plug numbers” for the cost-reimbursement CLINs. RFQ, Tab B, Supplies or Services and Prices.

³ The statement of work also indicated DHS's intent to implement CDM (and the related CMaaS approach) on a centralized, multi-tenant, on-premise cloud solution as a part of DHS's cyber practices to enable the cyber future of “One DHS” in the form of a standardized set of sensors, tools, and services throughout the Department. SOW § 2.2.4.

Eleven vendors, including KCG and HPES, submitted quotations by the August 20 closing date. An agency technical evaluation board (TEB) assessed vendors' nonprice quotations using an adjectival rating scheme as follows: excellent, good, acceptable, or not acceptable.⁴ By February 25, 2015, the TEB completed its evaluation of quotations, including those of KGC and HPES as follows:

	KCG	HPES
Technical Approach	Excellent	Not Acceptable
Management Approach	Acceptable	Acceptable
Key Personnel/Project Staffing Approach	Acceptable	Acceptable
Overall	Excellent	Not Acceptable
Price ⁵	\$29,050,520	\$30,672,628

Agency Report (AR), Tab 40, Technical Solution Advisors' Report, at 1-141; AR, Tab 41, TEB Consensus Report, at 1-173; Tab 50, HPES Price Quotation, at B-8.

The TEB also made findings in support of the ratings assigned to vendors' quotations. For example, under the technical approach factor, the evaluators identified 10 strengths, 8 significant weaknesses, and 12 weaknesses and risks in HPES' quotation.⁶ Id. at 89-100. Also, in finding HPES' technical approach to be unacceptable the TEB noted that: (1) the vendor made several serious erroneous assumptions about the current DHS infrastructure; (2) it proposed the use of an enterprise service bus (ESB) software architecture model that had two serious weaknesses; (3) the proposed architecture strived to leverage the DHS installed technical base in a manner that added complexity, long-term effort, and long-term inefficiency;⁷ and (4) during the question and answer session the vendor stated that it was dissatisfied with its own proposed tool set. Id. at 90.

⁴ To assist the TEP with the evaluation, the agency employed a technical solution advisors team to assess the feasibility of vendors' proposed CDM tools and sensors across the 11 DHS Components.

⁵ While the agency reviewed prices for completeness and reasonableness, it made no adjustments to vendors' proposed prices.

⁶ The record reflects that the TEB also took into account the aforementioned technical approach elements when identifying the strengths, weaknesses, and significant weaknesses in HPES' quotation, including whether the suite of tools proposed both leveraged the DHS Components' installed base and would meet a "One DHS" state. Id., Tab 41, TEB Consensus Report, at 12, 90-93.

⁷ For example, the TEB found that HPES' solution assumed it would preserve the complex collection of multiple incompatible tools which, over the long run, would require increased effort and reduce efficiency (the proposed maintenance of existing solutions, which include the continued use of separate DHS component

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The agency source selection authority (SSA) thereafter reviewed and accepted the TEB's evaluation findings and ratings, and made a best value determination among the three vendors whose quotations were technically acceptable and eligible for award (this did not include HPES). AR, Tab 43, Source Selection Decision, at 1-32. The SSA concluded that the technical advantages identified in KCG's quotation--as evidenced by the highest-possible, "excellent" rating--outweighed another eligible vendor's lower price, and that KCG's quotation represented the best value to the government all factors considered.⁸ Id. at 32.

On March 9, after receiving notice of the award determination and a brief explanation, HPES filed this protest with our Office.

DISCUSSION

HPES protests the agency's evaluation of its technical approach quotation, arguing that the evaluation was unreasonable and inconsistent with the solicitation.⁹ The protester repeatedly contends that with regard to all of the identified significant weaknesses and the large majority (10 of 12) of the other weaknesses and risks, the agency's evaluation was inconsistent with the technical approach criterion that "it is preferable for the offeror to propose a suite of tools that leverages the DHS Components' installed base."¹⁰ Protest, Apr. 20, 2015, at 5-41, citing RFQ § 12.4.2. HPES argues that had the agency evaluated its quotation consistent with the solicitation, it would not have been assigned a "not acceptable" rating. Id. at 10-11.

The agency argues that the technical approach evaluation was reasonable and consistent with the RFQ. The agency contends that the evaluators properly

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data centers with disparate hardware and software configurations would perpetuate a costly, complex, non-homogeneous solutions). Id. at 95.

⁸ The third technically-acceptable vendor was both higher-priced and lower technically-rated than KCG, such that no price/technical tradeoff was required. Id. at 4.

⁹ HPES also initially protested that the agency improperly evaluated KCG's technical and price quotations. We dismissed the technical challenge as too speculative to state a sufficient legal or factual basis for protest, Bid Protest Regulations, 4 C.F.R. § 21.5(f); DGC Int'l, B-410364.3, Apr. 22, 2015, 2015 CPD ¶ 136 at 3 n.1, and the price challenge for failing to state what, if anything, the agency's price evaluation violated. GAO Email to Parties, Mar. 23, 2015.

¹⁰ HPES also alleges that to the extent GSA misapplied the same solicitation provision to the evaluation of other vendors' technical approach quotations, those evaluations would also be improper. Protest, Apr. 20, 2015, at 9, 41-43.

considered more than whether a vendor had proposed a suite of tools that leveraged the DHS Components' installed base, because the technical approach evaluation factor consisted of more than this one sentence (i.e., the expressed preference did not permit vendors' proposed solutions to ignore, or fail to meet, the other technical approach elements). The agency maintains that as HPES' technical approach failed to adequately address the remainder of the technical approach requirements, it was properly rated as not acceptable. AR, Apr. 8, 2015, at 3-18.

Where, as here, an agency issues an RFQ to FSS contractors under FAR subpart 8.4 and conducts a competition, we will review the record to ensure that the agency's evaluation is reasonable and consistent with the terms of the solicitation. Digital Solutions, Inc., B-402067, Jan. 12, 2010, 2010 CPD ¶ 26 at 3-4; DEI Consulting, B-401258, July 13, 2009, 2009 CPD ¶ 151 at 2. In reviewing a protest challenging an agency's technical evaluation, our Office will not reevaluate the quotations; rather, we will examine the record to determine whether the agency's evaluation conclusions were reasonable and consistent with the terms of the solicitation and applicable procurement laws and regulations. OPTIMUS Corp., B-400777, Jan. 26, 2009, 2009 CPD ¶ 33 at 4. A protester's mere disagreement with the agency's judgment does not establish that an evaluation was unreasonable. DEI Consulting, *supra*.

We find that the agency's technical approach evaluation was both reasonable and consistent with the solicitation. As detailed above, the technical approach evaluation factor consisted of more than a preference that vendors propose a suite of CDM tools that leveraged the DHS Components' installed base; for example, it also included achieving a robust, reliable approach to meeting DHS and DHS component security requirements, which the SOW stated was a standardized, "One DHS" solution.¹¹ The agency's evaluation of HPES quotation acknowledged that the protester proposed to leverage the installed base, but the evaluators concluded that the method chosen to do so was based upon inaccurate assumptions and lacked detail. In this regard, 9 of the 11 DHS components participating as advisory experts to the technical evaluation panel found HPES solution to be non-feasible despite HPES' reliance on the installed base. AR, Tab 40, Technical Solution Advisors' Report, at 14, 79-82. Quite simply, the one sentence within the technical approach factor on which the protester relies did not permit it to ignore the remaining portions of the technical approach factor, which HPES' quotation

¹¹ It was also possible for vendors to propose a technical approach that achieved both evaluation requirements, for example, by having a CDM solution that reused an IT security tool suite that already had a dominant position within the DHS infrastructure and expanding the use of that tool suite to reach a "One DHS" state.

essentially did to its competitive detriment. Accordingly, we find that the agency's evaluation was in accordance with the solicitation's technical evaluation criteria.¹²

We also find that HPES has failed to establish that it was prejudiced by the agency evaluation it challenges. Competitive prejudice is an essential element of a viable protest; where the protester fails to demonstrate that, but for the agency's actions, it would have had a substantial chance of receiving the award, there is no basis for finding prejudice, and our Office will not sustain the protest, even if deficiencies in the procurement are found. See, e.g., Interfor US, Inc., B-410622, Dec. 30, 2014, 2015 CPD ¶ 19 at 7; Special Servs., B-402613.2, B-402613.3, July 21, 2010, 2010 CPD ¶ 169 at 4.

Here, HPES argues that but for the agency's misevaluation of its technical approach quotation, it would not have been assigned a "not acceptable" rating (HPES does not challenge any other aspect of the evaluation of its quotation). Even if the protester were to prevail, however, such that HPES received a technical approach rating of acceptable or greater, HPES cannot receive a rating that is higher than the excellent rating assigned to KCG's technical approach. At best HPES would be technically equal to KCG, and it would remain higher priced. As HPES cannot demonstrate the possibility of a price/technical tradeoff between its quotation and that of KCG, we find that HPES has failed to establish prejudice from the agency action it protests.

The protest is denied.

Susan A. Poling
General Counsel

¹² While HPES asserts that the agency's evaluation failed to penalize (and improperly credited) other vendors for proposing solutions that failed to leverage the installed base of legacy tools, Protest, Apr. 20, 2015, at 43, the record demonstrates that other vendors did in fact leverage existing tools in place across the DHS components--they just did so while also effectively standardizing the tool solution in accordance with the "One DHS" requirement. AR, Apr. 28, 2015, at 3-5; Tab 41, TEB Report, at 12; Tab 43, Source Selection Decision.