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**Comptroller General  
of the United States**

**United States Government Accountability Office  
Washington, DC 20548**

**DOCUMENT FOR PUBLIC RELEASE**

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## **Decision**

**Matter of:** Unisys Corporation

**File:** B-292679; B-292679.4

**Date:** November 21, 2003

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E. Sanderson Hoe, Esq., and Lisa M. Norrett, Esq., McKenna Long & Aldridge, and Charlotte D. Young, Esq., Unisys Corporation, for the protester.  
Steven S. Diamond, Esq., Walter F. Zenner, Jr., Esq., Marc A. Stanislawczyk, Esq., W. Susanne Addy, Esq., Waltraut S. Addy, Esq., and Joseph M. Catoe, Esq., Arnold & Porter, for Wisconsin Physicians Service Insurance Corporation, an intervenor.  
Ellen C. Bonner, Esq., and Michael E. Jonasson, Esq., Department of Defense, Tricare Management Agency, for the agency.  
Glenn G. Wolcott, Esq., and Michael R. Golden, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

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### **DIGEST**

1. Agency reasonably evaluated protester's proposal as "high" risk, based on protester's proposal of staffing levels that were significantly lower than historical levels, and protester's failure to meaningfully explain how it would successfully perform the contract requirements with the level of staff proposed.
2. Agency's discussions with protester were meaningful and adequate where agency provided written discussion questions to protester that reasonably identified the agency's concerns, and subsequently conducted oral discussions during which the agency expanded on the identified concerns.
3. In procurement where non-price factors were significantly more important than price, agency's price/technical tradeoff was reasonable and adequately documented where source selection decision memorandum expressly acknowledges protester's price advantage, references multiple evaluated strengths in the awardee's proposal, and concludes that the higher price is more than justified by the technical superiority of awardee's proposal.

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## DECISION

Unisys Corporation protests the Department of Defense (DOD), Tricare Management Agency's (TMA) award of a contract to Wisconsin Physicians Service Insurance Corporation (WPS) under request for proposals (RFP) No. MDA906-02-R-0007. This solicitation sought proposals to provide health care claims processing and related services for military members, and their dependents, who are eligible for both Medicare and Tricare benefits. Unisys challenges various aspects of the agency's source selection process, including the evaluation of proposals under various technical evaluation subfactors, the adequacy of discussions, and the adequacy of support for the agency's price/technical tradeoff.

We deny the protest.

## BACKGROUND

DOD provides health care to active-duty and retired members of the seven uniformed services, and to their dependents, through an extensive network of military treatment facilities (MTFs), supplemented by a network of civilian health care providers operating under managed care support (MCS) contracts with DOD. In the early 1990s, DOD implemented the Tricare program, which provides three basic health care options: a managed care program, a preferred-provider option, and a fee-for-service option. The total number of beneficiaries currently eligible for Tricare coverage is approximately 8.7 million. A portion of these beneficiaries (approximately 1.5 million) is also entitled to receive Medicare benefits due to their age (65 or older) or poor health; this portion of the beneficiary population is generally referred to as "dual eligible" beneficiaries.

Prior to October 2001, Tricare beneficiaries who became eligible for Medicare lost their eligibility for Tricare coverage. Effective October 2001, Congress enacted legislation, commonly referred to as "Tricare for Life" (TFL), which restored Tricare coverage for Tricare beneficiaries who are also eligible for Medicare. Under the statutory scheme, Medicare coverage is primary and Tricare coverage is secondary.<sup>1</sup>

In response to the TFL legislation, DOD modified the then-ongoing MCS contracts to incorporate claims processing services for the dual eligible beneficiary population. Pursuant to these modifications, WPS, acting as a subcontractor to an MCS prime

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<sup>1</sup> Medicare and Tricare coverage differ in various ways. The Medicare program does not cover any costs for certain items of medical care covered by Tricare and, for much of the medical care provided, Medicare requires beneficiaries to share costs by means of co-payments and deductibles. Conversely, in a few instances, Medicare provides coverage where Tricare does not.

contractor, has been processing a portion of the dual eligible beneficiary claims; Unisys has had no involvement in claims processing under the MCS contracts.

The prior MCS contracts have expired or will expire soon, and have been or will be replaced by the “next generation” of Tricare contracts, frequently referred to as “T-Nex” contracts. In replacing the expiring contracts, and as a part of a broader transformation of DOD’s military health care system, DOD has made various program changes, including consolidation of its current eleven Tricare regions into three regions. Further, unlike the prior MCS contracts that incorporated various unique services performed by specialized subcontractors, DOD has elected to “carve out” such services for separate, nationwide contracts. The contract at issue here, which requires performance of claims processing services for the “dual eligible” beneficiary population (generally referred to as the “Tricare Dual Eligible Fiscal Intermediary Contract” or “TDEFIC”) is one such contract.

The TDEFIC solicitation was issued in September 2003 and sought proposals for a fixed-unit-priced requirements contract for a base period and five option periods. Agency Report, Tab 1, at 28. Among other things, the statement of work (SOW) calls for the successful offeror to timely and accurately verify beneficiary eligibility; adjudicate, process and pay beneficiaries’ claims; accurately coordinate benefits available under Tricare and Medicare; correctly apply deductibles, caps and co-payments; and furnish the beneficiaries with explanations of the benefits provided. Agency Report, Tab 1, at 19-25.

Section M of the solicitation provided that source selection would be based on the proposal offering the best overall value to the government and identified the following, equally weighted, evaluation factors—technical merit, past performance, and price—reminding offerors that the non-price factors combined were “significantly more important” than price. Agency Report, Tab 1, at 493. Regarding technical merit, the solicitation established the following equally weighted evaluation subfactors—claims processing,<sup>2</sup> beneficiary/provider satisfaction,<sup>3</sup> management

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<sup>2</sup> Under this subfactor offerors were advised that proposals would be evaluated “on the effectiveness of the [proposed] approach for providing timely and accurate processing of Tricare claims for medical care rendered . . . includ[ing] compliance with the development, processing, medical review and data record submission requirements of the Tricare Operations, Policy, Reimbursement and Systems Manuals.” Agency Report, Tab 1, at 494.

<sup>3</sup> Under this subfactor offerors were advised that the agency would evaluate “the offeror’s ability to establish and maintain beneficiary and provider satisfaction at the highest level possible . . . through the delivery of customer friendly program services,” and that the evaluation would include, among other things, the proposed “modes of access [and] staffing.” *Id.* More specifically, the solicitation stated: “evaluation [under this subfactor] will look at contractor processes to assure

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approach,<sup>4</sup> transition in, and data access.<sup>5</sup> Id. Section M of the RFP also expressly advised offerors that their technical proposals would be evaluated, under each subfactor, with regard to proposal risk and explained that the agency would assess the level of risk associated with each proposed approach “as it relates to the successful achievement of the Government’s requirements or the degree to which the Government must expend resources to monitor or manage the risk to avoid unsuccessful performance.”<sup>6</sup> Agency Report, Tab 1, at 493.

Finally, with regard to price proposals, each offeror was required to propose, by contract period, fixed claims processing rates (separate rates for electronic and paper claims), a fixed price for administration, and fixed prices for transitioning in and transitioning out. Section B of the RFP provided estimated quantities, by contract period, regarding electronic and paper claims; section M of the RFP advised the offerors that the evaluated price for claims processing for each period would be calculated by multiplying the proposed rates by the corresponding volume estimates and that the offeror’s total price would be calculated by summing the evaluated prices for each contract period. Agency Report, Tab 1, at 496.

The agency received initial proposals from Unisys, WPS, and a third offeror by the February 12, 2003 closing date.<sup>7</sup> Each offeror subsequently made an oral

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prompt, accurate, and friendly response to customer questions and problems.” Agency Report, Tab 1, at 476.

<sup>4</sup> With regard to this subfactor, the solicitation provided, among other things, that offerors must provide a “justified staffing model for each activity (including staffing levels).” Agency Report, Tab 1, at 477.

<sup>5</sup> The agency’s acquisition plan provided that technical proposals would be evaluated under each subfactor, applying the following adjectival ratings: blue/exceptional (exceeds specified standards in a manner beneficial to the government); green/acceptable (meets standards); yellow/marginal (fails to meet standards, significant but correctable weaknesses); and red/unacceptable (fails to meet standards, weaknesses are uncorrectable without major proposal revision). Agency Report, Tab 51, at 271.

<sup>6</sup> In assessing proposal risk, the agency applied the following ratings: low (little doubt that offeror can execute the requirements using the methods/techniques proposed); moderate (some doubt that offeror can execute the requirements using the methods/techniques proposed); or high (significant doubt that offeror can execute the requirements using the methods/techniques proposed). Agency Report, Tab 51, at 272.

<sup>7</sup> The third offeror’s proposal is not relevant to resolution of Unisys’s protest. Accordingly, our decision here does not further discuss that proposal.

presentation to the agency, relying on slides provided to the agency with the offeror's written proposal.

WPS's proposed approach contemplated significantly higher staffing levels than the staffing levels associated with Unisys's proposed approach.<sup>8</sup> In evaluating the claims processing staff in Unisys's initial proposal, the SSET noted that Unisys's proposed staffing was "approximately [deleted] of what was expected."<sup>9</sup> Agency Report, Tab 50, at 258. Consistent with its low staffing, Unisys proposed a performance approach that emphasized "auto-adjudication" of claims.<sup>10</sup> Protest at 5. Similarly, Unisys's proposal was based on the premise that a significant portion of beneficiary calls would be handled through interactive voice response (IVR),<sup>11</sup> and would not involve any human interaction between Unisys and the beneficiaries.<sup>12</sup>

In contrast, WPS's proposed approach, supported by its higher staffing levels, contemplated significant human interaction with the Tricare beneficiaries, proposing that its staff would act as "advocates" for the beneficiaries, taking the lead in coordinating communication between the beneficiaries, health care providers, Medicare contractors, and other health insurance carriers. Further, WPS proposed to provide significant training for its staff, including training related to the Medicare program, to facilitate its advocacy approach. Agency Report, Tab 14, at 117, 119, 126, 138, 143, 165.

In evaluating Unisys's proposal with regard to claims processing and beneficiary/provider satisfaction, the SSET assigned "high" risk ratings under each

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<sup>8</sup> The final evaluated staffing levels proposed by WPS under the contract line item numbers (CLINs) for claims processing and administration functions ranged from approximately [deleted] full time equivalent (FTE) staff years to approximately [deleted] FTEs. Agency Report, Tab 39, at 143. The final evaluated staffing levels proposed by Unisys under those CLINs ranged from approximately [deleted] FTEs to approximately [deleted] FTEs. Id.

<sup>9</sup> In evaluating proposed staffing levels, the agency considered the historical staffing levels employed by the MSC subcontractors who had performed claims processing for dual eligible beneficiaries following enactment of the TFL legislation. Agency Report, Tab 21 at 9-10.

<sup>10</sup> Unisys states: "To auto-adjudicate means to process a claim without manual intervention to a pay or deny status." Protest at 5.

<sup>11</sup> IVR refers to the process in which a voice processing system prompts the caller for information.

<sup>12</sup> Unisys's proposal stated, "Based on our experience in 1-800-Medicare, we believe [deleted] of calls will be handled by the IVR." Agency Report, Tab 6 at 81.

evaluation subfactor. In doing so, the SSET expressed concern that Unisys's proposed staffing levels "appear[ed] unrealistic" and, further, expressed serious reservations regarding the level to which Unisys relied on automation and IVR and anticipated more limited human interaction. Agency Report, Tab 50, at 258. Finally, the agency expressed concern that Unisys had not adequately explained the basis for its staffing level calculations, noting:

The problem with the Unisys proposal was that their single [staffing] slide, consisting primarily of a chart showing total numbers of staff by broad functional category, offered very little insight into how they derived their numbers. Although [the solicitation] called for a "justified staffing model . . ." the Unisys slide contains a total of thirty-five words of explanation of the basis for their staffing. These consist of unelaborated statements, such as "Data entry experience from other claims administration sites" with no explanation of what the specific historical or expected productivity levels were. The Unisys oral presentation offered no additional insights, nor did the detailed staffing breakouts which were submitted with the price proposal.

Agency Report, Tab 38, at 137.

In contrast, the SSET viewed WPS's proposed advocacy approach, along with the proposed training and higher staffing levels necessary to support that approach, as a strength that exceeded the solicitation's requirements. Specifically, the SSET stated:

WPS' proposal to train customer service staff on Medicare benefits and to allow their customer service staff to deal with Medicare and [MCS] contractors on claims issues should increase beneficiary satisfaction . . . . WPS will also communicate to the beneficiaries and providers if their claim was forwarded to Medicare for processing, rather than simply returning the claim to the claimant for them to file it with Medicare, thus increasing satisfaction and better informing the beneficiary of the current status of their claim.

Agency Report, Tab 49, at 256.

The SSET also noted that WPS had proposed various business processes to save the government money, including recovery of improperly charged "crossover fees" from Medicare contractors.<sup>13</sup> Overall, the SSET evaluated WPS's initial proposal as

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<sup>13</sup> As noted above, Medicare coverage is primary and Tricare coverage is secondary. In general, beneficiary claims must first be submitted to Medicare for processing; these claims are then transmitted (usually electronically), or "crossed over," to the Tricare contractor for consideration of additional coverage; the Medicare contractor  
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“blue/exceptional,” with low proposal risk, noting that its technical proposal was “extremely comprehensive” and “exceeded RFP requirements in many respects.” Agency Report, Tab 46, at 208.

Based on the evaluation of initial proposals, the agency determined that each of the three offerors were within the competitive range and that discussions would be required. Accordingly, discussions were thereafter conducted, during which multiple matters requiring correction, explanation, amplification, or clarification were brought to each offeror’s attention. Agency Report, Tabs 101, 102, 103. Specifically, the agency provided Unisys with the following written questions, prior to conducting oral discussions:

Discuss how proposed staff will be able to handle projected claims volume. Discuss how staffing levels were derived to include key assumptions.

\* \* \* \* \*

Discuss how proposed staff will be able to handle projected call volumes. Discuss how staffing levels were derived to include key assumptions.

Agency Report, Tab 102, at 35, 39.

During oral discussions, these questions were repeated. Id. at 52, 60. Further, during oral discussions, the agency suggested that Unisys consider whether additional staff would be required at the beginning of the contract performance period due to initial inefficiencies. Id. at 57.

Final proposal revisions (FPRs) were requested and submitted by April 28. These FPRs were subsequently evaluated by the SSET. In addition, all of the offerors’ complete proposals were independently evaluated by TMA’s source selection authority (SSA). Agency Report, Tab 21, at 5. In evaluating Unisys’s FPR, the agency concluded that the proposed staffing was still unrealistically low,<sup>14</sup> and that Unisys

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charges the Tricare contractor a “crossover fee” for the administrative service of forwarding the claim. Some of the “crossover claims” have been erroneously sent due to various errors on the part of the Medicare contract. WPS’s proposal stated that it intended “to recover charges on claims that should not have been crossed over.” Agency Report, Tab 14, at 66.

<sup>14</sup> The average staffing level reflected in Unisys’s FPR was still approximately [deleted] of the combined staffing level the MCS subcontractors had employed to (continued...)

had not meaningfully explained how it could successfully perform the contract requirements with the staffing proposed. Even more troublesome, the agency noted that Unisys’s FPR introduced “internal inconsistencies” regarding the level of proposed staffing.<sup>15</sup> Agency Report, Tab 23, at 35.

Overall, the final ratings of both proposals remained the same, including the agency’s assessment of high risk for Unisys’s proposal with regard to claims processing and beneficiary/provider satisfaction. The final agency ratings for WPS’s and Unisys’s proposals were as follows:

	WPS	UNISYS
Technical Merit	Blue/Exceptional Low Risk	Green/Acceptable Moderate Risk
--Claims Processing	Blue/Exceptional Low Risk	Blue/Exceptional High Risk
--Beneficiary/Provider Satisfaction	Blue/Exceptional Low Risk	Blue/Exceptional High Risk
--Management Approach	Green/Acceptable Low Risk	Green/Acceptable Low Risk
--Transition In	Blue/Exceptional Low Risk	Green/Acceptable Low Risk
--Data Access	Blue/Exceptional Low Risk	Green/Acceptable Low Risk
Past Performance	Confidence	Confidence
Evaluated Price	\$486,918,518	[deleted]

Agency Report, Tab 21, at 15; Tab 23, at 44.

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perform claims processing following enactment of the TFL legislation. Agency Report, Tab 21, at 9-10.

<sup>15</sup> Specifically, the agency explains that, although Unisys’s staffing charts indicated that [deleted] FTEs were being proposed to perform claims processing during option year 1, (an increase of [deleted] FTEs from Unisys’s initial proposal), the narrative portion of Unisys’s proposal presented a lower number, stating:

Unisys re-estimated the staffing levels need during the last 5 months of Option Year 1 and the beginning of Option Year 2. . . . Together, Unisys will staff to a level of [deleted] Claims Processing staff in Option Year 1.

Agency Report, Tab 12, at 13-14.



In the source selection decision memorandum, the source selection authority (SSA) summarized the agency's concerns with Unisys's proposal, stating:

In its proposal[,] Unisys' assertion that efficiencies make it possible to process more claims with the same amount of people is not supported by any additional information. The concern about the adequacy of the total staff numbers as well as the low number of claims processing staff . . . results in a [high] Proposal Risk Rating [under the claims processing subfactor.]

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The continued increased reliance on IVR technology, combined with the inadequate staff numbers dedicated to the [contract's] Customer Service [requirements] results in the High Risk rating for [beneficiary and provider satisfaction].

Agency Report, Tab 21, at 10-11.

The SSA also summarized the evaluated strengths associated with WPS's proposal, stating:

[WPS] proposes several business processes to save the Government money. . . . The staff training, workload management, and ongoing evaluation by a service quality team, work synergistically to provide the foundation for WPS' commitment to have a responsive staff readily available for both beneficiaries and providers. The staffing in the WPS proposal shows that WPS has taken into account any potential new work for T-Nex and has a plan to meet all its commitments.

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I found WPS to rank above Unisys [with regard to past performance] . . . because [Unisys's] Past Performance evaluations were primarily focused on their approach to information systems, and their relevant experience to this solicitation was not as extensive as [WPS's experience].

Agency Report, Tab 21, at 13-17.

Finally, the SSA compared the various distinguishing aspects of WPS's and Unisys's proposals, stating:

WPS is the best proposal because they have synergy between their proven automation systems and their customer service approach. Their customer service approach combines state of the art technology

with a sufficient number of highly trained Customer Service Representatives. . . . [In contrast, Unisys] promote[s] technology rather than personal interaction to serve the beneficiary. This could cause confusion and dissatisfaction because of the inability of the elderly beneficiary to readily access a live Customer Service Representative.

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The WPS approach will bring a high degree of satisfaction to all the Government's customers--the beneficiaries, the providers, and the uniformed services. The beneficiaries' expectations for claims processing will be satisfied by a personalized approach supported by technology that supports claims processing for both [Tricare] and for Medicare. The beneficiaries will be further served by the appeal of Tricare for Life to providers who will benefit from the prompt and accurate claims payments. The Uniformed Services will enjoy the reputation earned from taking the best care of those who provided long and distinguished service to their country.

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In conclusion, it is my decision that WPS represents the overall best value to the Government. I have carefully considered the additional price the Government will pay for awarding the contract to WPS. . . . I have determined the additional price . . . is more than justified by the superior technical performance, and WPS's outstanding past performance.

Agency Report, Tab 21, at 20-25.

A contract was awarded to WPS on July 29. This protest followed.

## DISCUSSION

Unisys first protests the agency's assessment of high proposal risk under the technical evaluation subfactors for claims processing and beneficiary/provider satisfaction. Unisys does not dispute that, due to its proposed reliance on auto-adjudication and IVR, its proposed approach anticipates significantly lower staffing levels than those employed under the predecessor MCS contracts. Nonetheless, Unisys asserts that the agency improperly evaluated its proposal by failing to recognize that "[Unisys's proposal of] fewer human interfaces was a significant benefit [to the government]." Protest at 5.

The agency responds that assessment of high risk was appropriate because of Unisys's extremely low proposed staffing levels, as well as its failure to offer any meaningful explanation regarding the basis for its staffing calculations. As noted

above, Unisys's entire explanation of its claims processing staffing in its initial proposal consisted of a single presentation slide showing little more than total staffing broken down by broad categories. Even following discussions, during which the basis for its staffing calculations were specifically identified as an agency concern, Unisys offered no meaningful explanation regarding the basis for its calculations; for example, the agency notes that Unisys declined to provide any information regarding Unisys's historical productivity levels. Regarding Unisys's assertion that [deleted] percent of all calls would be handled to completion using IVR, the agency notes that Unisys's underlying assumptions are flawed. Specifically, Unisys advised the agency that it relied on its experience with the "1-800-Medicare" information line where, Unisys maintains, [deleted] percent of all calls are handled through to completion by IVR. However, the agency notes, and Unisys does not dispute, that the "1-800-Medicare" line provides only general answers to frequently asked Medicare questions--not answers to claim-specific questions. The agency states that, in handling claim-specific questions, significantly greater human intervention is required. In short, the agency maintains that its high risk assessments were appropriate because "Unisys's proposal simply assumed that its automated approach was so unique and so different from that of everyone else in the industry that it could achieve the requisite efficiencies in some unspecified manner."<sup>16</sup> Agency Report at 23.

In reviewing an agency's evaluation, GAO will not reevaluate offerors' proposals, but rather will examine the agency's evaluation to ensure that it was reasonable and consistent with the solicitation's stated evaluation criteria and with procurement statutes and regulations. Encorp-Samcrete Joint Venture, B-284171, B-284171.2, Mar. 2, 2000, 2000 CPD ¶ 55 at 4. The offeror has the burden of submitting a proposal that meets or exceeds the solicitation requirements, and mere disagreement with an agency's judgments regarding these matters is insufficient to establish that the agency acted unreasonably. PEMCO World Air Servs., B-284240.3 et al., Mar. 27, 2000, 2000 CPD ¶ 71 at 15.

The solicitation here required that offerors propose to provide not only a "world-class claims processing system," but also "customer friendly" services. Agency Report, Tab 1, at 19. Among other things, the solicitation provided that the agency would evaluate "modes of access [and] staffing," and would "look at contractor processes to assure prompt, accurate, and friendly response to customer questions and problems." Agency Report, Tab 1, at 476, 494. Based on Unisys's proposed level of staffing, along with its failure to meaningfully explain how it would perform the solicitation requirements--including those related to "customer friendly"

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<sup>16</sup> The agency also notes that the above-referenced inconsistency within Unisys's FPR regarding the level of staffing that Unisys was actually proposing was an added basis for agency concern regarding the likelihood of Unisys's successful contract performance.

services--with the staffing levels proposed, we find no basis to question the reasonableness of the agency's high risk assessment regarding Unisys's proposal. Unisys's protest that the agency's risk assessments were unreasonable is denied.<sup>17</sup>

Next, Unisys protests that the agency improperly rated WPS's proposal as superior to Unisys's with regard to the solicitation's data access and transitioning requirements, complaining that "in both [evaluation] categories, Unisys and WPS provided clearly comparable proposals." Protest at 7. We disagree.

With regard to data access, both WPS and Unisys proposed to provide access to the points specifically designated in the solicitation.<sup>18</sup> However, WPS's proposal was rated higher because it offered additional benefits. Specifically, WPS proposed to provide access to regional directors and intermediate services commands. Further, WPS proposed to host "semi-annual discovery meetings with government representatives" in order to "address the usability of the existing tools, define desired enhancements and plan deliverables," explaining that "[w]orking together we will be able to refine the portals, reports and query capabilities." Agency Report, Tab 14, at 310.

The agency viewed WPS's identification of additional, specified data access points and the proposed customer-oriented "discovery meetings," as enhancements that exceeded the solicitation requirements in a beneficial manner. Regarding the "discovery meetings," one evaluator noted: "The fact that WPS offers to host semi-annual discovery meetings with government partners demonstrates their willingness to furnish ongoing customer support tailored to user needs that may evolve over the course of the contract." Agency Report, Tab 54, at 179.

With regard to the solicitation's transition-in requirements, the agency viewed Unisys's proposal as presenting a transition plan with sufficient detail to meet the solicitation requirements. However, the agency viewed WPS's transition plan as not

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<sup>17</sup> Unisys also complains that the agency's assessments regarding staffing were based on inaccurate assumptions regarding the volume and type of claims (paper vs. electronic) that will be received. However, section B of the solicitation expressly disclosed the agency's estimates in this regard. Agency Report, Tab 1, at 17-18. Accordingly, Unisys was required to protest that aspect of the solicitation prior to the closing date for submission of initial proposals. 4 C.F.R. § 21.2(a)(1) (2003). Its post-award protest raising those issues is untimely and will not be considered.

<sup>18</sup> The solicitation stated: "Minimum access shall include two authorizations [for access] at each MTF [military treatment facility], ten authorizations at each Surgeon General's Office, two authorizations at Health Affairs, two authorizations at TMA-Washington, two authorizations at TMA-Aurora, and authorization(s) (not to exceed two) for on-site Government representatives." Agency Report, Tab 1, at 22.

only meeting, but significantly exceeding the solicitation requirements. In addition to providing substantial detail beyond that minimally required, WPS's proposal addressed potential risks and problem areas and formulated specific solutions, in particular identifying potential disruptions in service to beneficiaries and providers and identifying proposed strategies to minimize their effect. Agency Report, Tab 34, at 131; Tab 21, at 21. Overall, the agency found WPS's proposal to be comprehensive, detailed and proactive, and concluded that, in particular, WPS's proactive approach exceeded the solicitation requirements. Id.

Consistent with GAO's standard of review, noted above, we did not reevaluate the offerors' proposals, but rather examined the agency's evaluation record to ensure that the evaluation was reasonable and consistent with the solicitation's stated evaluation criteria and with procurement statutes and regulations. Based on our review of the entire record in this matter, we find no basis to question the reasonableness of the agency's judgments that WPS's proposal to provide additional data access to certain designated points that were not required by the solicitation, and to host customer-oriented "discovery meetings," along with its proactive approach to contract transition, exceeded the stated solicitation requirements in a manner reasonably deemed beneficial to the agency.

Next, Unisys protests that the discussions the agency conducted with Unisys were inadequate and provided less detail than the discussions the agency conducted with WPS. More specifically, Unisys complains that the agency's identification of its concerns regarding Unisys's low staffing did not provide as much guidance to Unisys as the agency's discussions did with regard to WPS's price.<sup>19</sup>

The FAR requires that agencies conduct discussions with each competitive range offeror regarding "deficiencies, significant weaknesses, and adverse past performance information to which the offeror has not yet had an opportunity to respond." Federal Acquisition Regulation (FAR) § 15.306(d). While offerors must be given equal opportunities to revise their proposals and one offeror may not be favored over another, see Chemonics Int'l, Inc., B-282555, July 23, 1999, 99-2 CPD

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<sup>19</sup> Unisys specifically complains about the agency's following statement to WPS during discussions:

When we take your proposal in the context of the competition that has come forward on this acquisition, as well as certain elements of the independent cost estimate that the government has derived, your staffing for claims processing, and therefore the attendant prices for that, seem to be high. We would encourage you to revisit that facet of your proposal for final proposal revisions.

Agency Report, Tab 101, at 19.

¶ 61, discussions need not be identical; rather, discussions are to be tailored to each offeror's proposal. WorldTravelService, B-284155.3, Mar. 26, 2001, 2001 CPD ¶ 68 at 5-6.

Here, as noted above, the agency provided Unisys with specific and direct written questions that focused on Unisys's proposed staffing levels as they separately related to both performance of claims processing functions and handling beneficiary calls, and requested that Unisys provide information regarding how its staffing levels were derived, including identification of its key assumptions. Agency Report, Tab 102, at 35, 39. These questions were subsequently repeated during oral discussions, during which the agency elaborated on its concerns, suggesting that Unisys might consider providing more staffing at the beginning of the contract performance period. Agency Report, Tab 102, at 57. Based on this record, it is clear the agency identified its concerns regarding Unisys's low proposed staffing levels and the agency's need for an explanation regarding the bases for the firm's calculations. On this record, the agency complied with its obligation to conduct meaningful discussions. Further, we have reviewed the substance of the agency's discussions with WPS and find no meaningful distinction in the level of guidance provided to either offeror. Accordingly, Unisys's protest that the agency's discussions were inadequate or unfair is without merit.

Finally, Unisys asserts that the SSA failed to perform a reasoned price/technical tradeoff, arguing that the record reflects inadequate documentation regarding the distinctions between the two proposals. We disagree.

The propriety of a procuring agency's source selection decision turns, not on whether our Office agrees with the source selection official's judgment, but on whether that judgment is reasonable and is adequately documented. Cygnus Corp., B-275181, Jan. 29, 1997, 97-1 CPD ¶ 63 at 11. While adjectival ratings and point scores are useful guides, they generally are not controlling; rather, a price/technical tradeoff decision must be supported by documentation addressing the relative differences between proposals, their strengths, weaknesses and risks. Century Env'tl. Hygiene, Inc., B-279378, June 5, 1998, 98-1 CPD ¶ 164 at 4.

Here, as discussed above, the solicitation advised offerors that, in making the source selection decision, past performance and the technical evaluation subfactors combined would be "significantly more important than price." Accordingly, the SSA gave WPS's evaluated advantages with regard to the non-price factors significantly more weight than Unisys's price advantage. As discussed above, the record provides more than adequate support for the agency's conclusion that WPS's proposed approach, which contemplates higher staffing levels and more extensive training, will provide more personal interaction and greater support and satisfaction for the "dual eligible" population--the oldest and frailest portion of DOD's beneficiary population--than Unisys's proposed approach, which relies substantially on auto-adjudication of claims and IVR interaction with the beneficiaries. The record also

reasonably supports the agency's assessment that WPS's proposal was more advantageous with regard to data access and transitioning requirements, and that WPS's more relevant past performance was reasonably considered superior to Unisys's for purposes of this procurement. In making the source selection decision, the SSA specifically referenced each of these factors and recognized the magnitude of Unisys's price advantage, but concluded that WPS's higher price was "more than justified" by its superiority with regard to the more important non-price factors. Agency Report, Tab 21, at 25. On this record we find no basis to question the reasonableness of the source selection decision.

The protest is denied.<sup>20</sup>

Anthony H. Gamboa  
General Counsel

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<sup>20</sup> In addition to the issues addressed in this decision, Unisys's various protest submissions to our Office have challenged other aspects of the agency's evaluation and source selection process. We have considered all of the issues raised by Unisys and conclude that none of them constitute bases for sustaining the protest.