



Decision

Matter of: LOGMET LLC

File: B-405700

Date: December 14, 2011

Wayne C. Rankin for the protester.

Capt. Joon K. Hong, Department of the Army, for the agency.

Paula A. Williams, Esq., and Edward Goldstein, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Agency's elimination of protester's proposal from competition was reasonable where protester failed to include pricing for required contract line items.

DECISION

LOGMET LLC protests its elimination from the competition under request for proposals (RFP) No. W911S8-11-0003, issued by the Department of the Army for aircraft services. The protester asserts that the agency acted unreasonably in eliminating its proposal on the basis that the firm's proposal failed to include pricing for several contract line items (CLINs).

We deny the protest.

Issued on July 5, 2011 as a set-aside for service-disabled veteran-owned small business (SDVOSB) concerns, the RFP's performance work statement (PWS) described a variety of aircraft transient alert services and aircraft wash services to be provided by the selected contractor at the Joint Base Lewis-McChord Field in the State of Washington. The solicited services include: aircraft services management functions; aircraft arrival services; aircraft processing services; aircraft departure services; aircraft wash and lubrication services; and flight line deicing fluid and wash water cleanup services. RFP at 36-52.

The RFP provided for award of a single fixed-price requirements contract for a base period and four 1-year option periods to the responsible offeror who submitted the lowest-priced, technically acceptable offer with acceptable or neutral past performance. *Id.* at 139. However, the solicitation cautioned that "offers received

for less than the stated number of items listed in the Proposal Schedule” would be “ineligible for award.” Id. Of relevance here, the solicitation required offerors to furnish

proposed pricing on the attached Contract Line Item Number (CLIN) Schedule. . .The offerors shall submit a Unit Price and Total Estimated Amount for each line item and complete the table of Estimated Contract Totals.

Id. at 133-34. Price would be evaluated by adding the total proposed price for the base year and all option years. Id. at 96. The RFP also stated that the agency intended to make award on the basis of initial proposals without conducting discussions unless the agency otherwise determined discussions to be necessary. Id. at 139.

On August 10, the agency issued amendment No. 2 to revise, update, and/or clarify various solicitation requirements and to establish a proposal due date of August 23. Among other things, amendment No. 2 incorporated a revised PWS, and added two new CLINs for the base year (one for servicing the C-130 aircraft, another for servicing the KC-135 aircraft) and comparable CLINs in each option year for a total of 10 new CLINs over the 5-year performance period. RFP amend. 2 at 1, 15-18.

Several offerors, including the protester, submitted proposals by the August 23 due date. In its proposal, LOGMET acknowledged receipt of amendment No. 2, however, it did not submit pricing for the 10 CLINs added by the amendment.

On August 31, the agency sent letters to each offeror, including LOGMET, seeking to clarify each offeror’s understanding of the terms of the solicitation. Specifically, the agency sought assurance that, if awarded the contract, the offeror would comply with the limitations on subcontracting requirements—i.e., that the SDVOSB concern would have to perform at least 50 percent of the solicited services as required by Federal Acquisition Regulation (FAR) § 52.219-14, “Limitations on Subcontracting” and FAR § 52.219-27, “Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside.” See Agency Report (AR) exh. 8, Clarification Letter to LOGMET. LOGMET acknowledged its understanding of the limitations on subcontracting requirements. Id. exh. 9, LOGMET Acknowledgment.

Following evaluation of proposals, the agency informed LOGMET that its proposal was eliminated from the competition since it did not submit pricing for the new requirements added to the scope of work by amendment No. 2. Id. exh. 10, Agency Letter to LOGMET (Sept. 7, 2011). This protest followed.

LOGMET contends that it elected not to price these new requirements because it intended to “utilize [its] proposed employees to accomplish the work at no additional cost to the [a]gency.” Protest at 1. In any event, the protester maintains that the

agency should have raised “this issue” with the firm when the agency issued its August 31 clarification letter. Protester’s Comments at 2. We disagree.

In a negotiated procurement such as this, a proposal that fails to conform to the material terms and conditions of the solicitation is considered unacceptable and may not form the basis for award. Manthos Eng’g, LLC, B-401751, Oct. 16, 2009, 2009 CPD ¶ 216 at 2.

Here, as discussed above, the solicitation specifically required each offeror to submit unit and extended prices for each CLIN and also provided that each offeror’s total evaluated price would be derived by adding the total price proposed for the base and option years. Since LOGMET did not submit unit and extended pricing for the 10 line items added to the scope of work by amendment No. 2, its proposal did not conform to the material terms of the solicitation and was therefore unacceptable.

While the protester argues that it acknowledged amendment No. 2 and elected not to price these 10 new requirements, the RFP clearly stated that submission of unit and extended prices for each CLIN was mandatory and that they would be evaluated by the agency. LOGMET’s failure to price unit prices for the additional CLINs, or to expressly indicate in its proposal that the CLINs would be performed at no charge, created doubt whether LOGMET’s proposal obligated it to perform the work associated with the CLINs added by amendment No. 2. On this basis, the record provides no basis to conclude that the agency acted unreasonably in finding LOGMET’s proposal unacceptable. See All Building Servs., Inc., B-293519, Mar. 23, 2004, 2004 CPD ¶ 73 (holding that agency properly rejected protester’s proposal as unacceptable where the protester failed to provide unit prices for work added by amendment, or indicate that new work would be performed at no charge).

To the extent LOGMET argues that the agency was required to address this issue with the firm when it sent the August 31 letter, this argument is without merit. The August 31 communication, which was sent to all offerors, merely sought confirmation of the offerors’ understanding of their subcontracting obligations during performance, and did not provide for the submission of revised proposals. As such, it constituted clarifications, which is a limited exchange intended to clarify aspects of an offeror’s proposal or to resolve minor or clerical mistakes. See FAR § 15.306(a).

LOGMET’s failure to submit prices for the added services, by contrast, was a material issue in its proposal since it created doubt as to whether LOGMET was obligated to perform the un-priced CLINs, and could only be addressed through substantive changes to its proposal. As a consequence, this issue could only be addressed through the discussions process, which provides a firm with the opportunity to make substantive proposal revisions. FAR § 15.306(d); Manthos Eng’g, LLC, *supra*. Given that the solicitation announced the agency’s intent to make award without discussions, the agency was under no obligation to engage in

discussions, and we have no basis to object to the agency's decision not to conduct discussions with LOGMET. See All Building Servs., Inc., supra.

The protest is denied.

Lynn H. Gibson
General Counsel