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Comptroller General  
of the United States

United States Government Accountability Office  
Washington, DC 20548

## Decision

**Matter of:** RightStar Systems

**File:** B-407597

**Date:** January 16, 2013

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Richard Stark for the protester.

Michael L. Whitener, Esq., VistaLaw International LLC, for SunView Software, Inc., the intervenor.

Michael E. Sainsbury, Esq., Department of Defense, for the agency.

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### DIGEST

An agency reasonably rejected a vendor's quotation for the establishment of a blanket purchase agreement, where the vendor failed to provide required contract line item prices for all option years.

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### DECISION

RightStar Systems, of Vienna, Virginia, protests the establishment of a blanket purchase agreement (BPA) with SunView Software, Inc., of Tampa, Florida, under request for quotations (RFQ) No. S5121A-12-Q-0011 issued by the Department of Defense, Defense Contract Management Agency (DCMA), for information technology service management (ITSM) service desk software. RightStar challenges DCMA's rejection of its quotation for failing to provide required option year pricing for certain items.

We deny the protest.

### BACKGROUND

The RFQ, issued under the commercial acquisition procedures of Federal Acquisition Regulation (FAR) part 12, provided for the establishment of a single BPA for a base year and four option years for ITSM service desk software to support managing service desk incidents and problems, as well as installation and

system configuration services, training, and warranty support.<sup>1</sup> The service desk software will be installed on-site at DCMA's Columbus, Ohio, application test center and remotely for production locations in Carson, California, and Boston, Massachusetts. RFQ, Attach. 1, Technical Specifications, at 2. One production license would be required for the entire service desk solution. Id.

Vendors were informed that the BPA would be established on a best value basis considering price and the following non-price evaluation factors: technical approach, operational software maintenance and support, licensing agreements, installation, and past performance.<sup>2</sup> RFQ at 31. The non-price factors were stated to be of equal importance and, when combined, were significantly more important than price. Id.

With regard to price, vendors were informed that the agency would evaluate each vendor's price by adding the total price for all options to the total price for the basic requirement. Id. at 33. Vendors were required to provide base and option year prices using the RFQ's pricing spreadsheet. The pricing spreadsheet contained separate contract line item numbers (CLIN) for the service desk, training, and installation services. The service desk CLIN included separate sub-CLINs for various products and services, such as provision of a service desk software suite, service desk suite maintenance, an analytics reporting tool, and analytics reporting tool maintenance. See RFQ, Attach. 2, Pricing Spreadsheet. Each CLIN and sub-CLIN contained spaces for the insertion of base year and option year prices. For example, with respect to CLIN 1AA, Service Desk Suite, the pricing spreadsheet listed a quantity of 1 product in the base year and each option year. The installation services CLIN included a separate sub-CLIN for each location.<sup>3</sup> Id.

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<sup>1</sup> A BPA is a simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply. FAR § 13.303-1(a); see Envirosolve LLC, B-294974.4, June 8, 2005, 2005 CPD ¶ 106 at 3 n.3. BPAs are often used when the specific items and quantities to be covered by a contract are not known at the time the agreement is executed. FAR § 13.303-2(a). A BPA does not obligate the agency to enter into future contracts with the vendor; rather an obligation is created only when the agency issues an order under the BPA. See FAR § 13.303-3(a); Envirosolve LLC, supra.

<sup>2</sup> Vendors were informed that the agency would evaluate quotations and make its source selection decision using the negotiated procurement procedures of FAR Part 15. RFQ at 27.

<sup>3</sup> The sub-CLINs were 3AA, Installation Services, On-Site, Columbus, Ohio; 3AB, Installation Services, Remote Installation, Boston, Massachusetts; and 3AC, Installation Services, Remote Installation, Carson, California. RFQ, Attach. 2, Pricing Spreadsheet, at 2.

The spreadsheet identified estimated quantities, which vendors were informed were for evaluation purposes only. Id.

DCMA received quotations from seven vendors, including RightStar and SunView. Contracting Officer's (CO) Statement at 3-4. Four of the quotations--including RightStar's and SunView's--were found to be technically acceptable and were considered technically equal. Id. at 6. After reviewing the pricing spreadsheets, DCMA concluded that none of the vendors had properly completed the spreadsheets and decided to conduct discussions with the vendors.<sup>4</sup> Agency Report (AR), Tab L, Pricing and Best Value Determination, at 9.

As relevant here, RightStar's initial quotation provided prices for all of the CLINs and sub-CLINs for the base period, but did not provide option year prices for sub-CLIN 1AA, service desk suite, and the installation services sub-CLINs. See AR, Tab H, RightStar Initial Pricing Spreadsheet. The contract specialist requested that RightStar submit a pricing spreadsheet that provided prices for the option years for the service desk suite and installation services sub-CLINs. AR, Tab J, E-Mail Exchanges Between DCMA and RightStar, Sept. 28, 2012, at 1. RightStar provided a revised pricing spreadsheet that included pricing for sub-CLIN 3AA, Installation Services On-Site, Columbus, Ohio, but did not include option year prices for the service desk suite and for the remote installation services sub-CLINs. See AR, Tab K, RightStar Final Spreadsheet. Instead, RightStar informed DCMA that, with respect to the service desk suite, "Option Year pricing . . . does not apply because there is no additional software needed. One ITSM Suite license includes as many production, development and test copies as needed." AR, Tab J, E-Mail Exchanges between DCMA and RightStar, Sept. 28, 2012, at 3. RightStar further indicated that sub-CLIN 3AA included "Remedy remote administration for the option years" for remote support "to perform upgrades or customizations," and that sub-CLINs 3AB and 3AC (remote installation for the Boston and Carson locations) "do not apply in the option years." Id.; AR, Tab K, RightStar Final Pricing Spreadsheet, at 2 n.3.

SunView's initial quotation did not include separate pricing for the installation services sub-CLINs or two analytic reporting tool sub-CLINs for the base period or option years.<sup>5</sup> Instead, SunView's pricing spreadsheet identified these sub-CLINs as NSP, or not separately priced. See AR, Tab S, SunView Initial Pricing Spreadsheet, at 6. The spreadsheet indicated that the analytics reporting tool was

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<sup>4</sup> Although DCMA refers to these communications as clarifications, the record shows that they were discussions. See FAR § 15.306; Tipton Textile Rental, Inc., B-406372, May 9, 2012, 2012 CPD ¶ 156 at 12 (discussions occur when an agency provides an offeror with an opportunity to revise or modify its proposal in some material respect).

<sup>5</sup> Sub-CLINs 1AP, Analytics Reporting Tool (Concurrent), and 1AQ, Analytics Reporting Tool (Concurrent) Maintenance.

built into the service desk suite offered by SunView, and that the installation services were included in the training costs. Id. The agency requested that SunView resubmit its pricing spreadsheet with the installation services sub-CLINs separately priced for the base year and option years as required by the RFQ. Id., E-Mail Exchanges between DCMA and SunView, Sept. 21, 2012, at 7. SunView subsequently provided pricing for the sub-CLINs as requested. See id., SunView 3<sup>rd</sup> & Final Pricing Spreadsheet, at 2.

DCMA found RightStar's final revised quotation to be unacceptable due to RightStar's lack of option-year pricing for the service desk suite and installation services sub-CLINs. AR, Tab L, Pricing and Best Value Determination, at 9. DCMA compared SunView's and another vendor's technically acceptable quotations and concluded that SunView's \$1,538,307 quotation was the best value. Id. at 10.

The BPA was established with SunView, and the protest followed a debriefing.

## DISCUSSION

RightStar objects to the rejection of its quotation for failing to provide option year pricing for several sub-CLINs. In this regard, RightStar contends that DCMA evaluated its and SunView's quotations disparately. RightStar also complains that the RFQ's pricing spreadsheet was confusing. We have considered all of RightStar's arguments and find no basis to sustain the protest. We discuss only the main arguments below.<sup>6</sup>

### RightStar's Option Year Pricing

RightStar argues that DCMA unreasonably rejected its quotation, stating that its quotation provided that RightStar would provide the service desk suite and the remote installation sub-CLINs in the option years at no cost to the agency.<sup>7</sup> Protest at 1. The record does not support this allegation, however.

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<sup>6</sup> RightStar also challenges various aspects of DCMA's technical evaluation of SunView's quotation. However, as we explain below, because we find that the agency properly rejected RightStar's quotation, and there is an intervening technically acceptable vendor, RightStar is not an interested party to raise these allegations. 4 C.F.R. § 21.0(a) (2012); Ridoc Enterprise, Inc., B-292962.4, July 6, 2004, 2004 CPD ¶ 169 at 9.

<sup>7</sup> Protester also complains that its proposal was found unbalanced where the agency did not assess the risk arising from unbalancing. RightStar's Comments at 2. This argument is based upon statements made by the agency at the debriefing. The record shows, however, that RightStar's proposal was rejected for failing to price all sub-CLINs in the option years, and not as unbalanced.

It is the vendor that bears the burden of submitting an adequately written quotation by including all information that was requested or necessary for its proposal to be evaluated. See Capitol Supply, Inc., B-309999.3, Jan. 22, 2008, 2008 CPD ¶ 35, at 5. Here, RightStar's quotation did not provide required pricing for these sub-CLINs for the option years nor inform the agency, as the protester now claims, that RightStar intended to provide these sub-CLINs in the option years at no expense to the agency. Rather, RightStar's pricing schedule and response to DCMA's discussion questions indicated to the agency that RightStar failed to understand the nature of a blanket purchase agreement. For example, with respect to the service desk suite sub-CLIN, in response to the agency's request that RightStar provide pricing, RightStar informed DCMA that option year pricing did not apply because no additional software was needed--in essence, RightStar refused to provide pricing for the option years for the service desk suite sub-CLIN.

Similarly, with respect to the remote installation sub-CLINs, in response to a request to provide pricing, RightStar informed DCMA that sub-CLINs 3AB and 3AC "do not apply in the option years." AR, Tab J, E-Mail Exchanges Between DCMA and RightStar, Sept. 28, 2012, at 3. Although RightStar also argues that it included the sub-CLINs in the on-site installation sub-CLIN, RightStar's final pricing spreadsheet states that sub-CLIN 3AA (Installation Services On-Site, Columbus, Ohio) option year prices included remote administration for upgrades and customizations--not remote installation. See AR, Tab K, RightStar's Final Pricing Spreadsheet, at 2 n.3.

Because RightStar failed to provide required pricing for the option years for these sub-CLINs or otherwise reasonably inform the agency that RightStar intended to provide these option year sub-CLINs at no cost to the agency, DCMA reasonably rejected the protester's quotation as unacceptable.

#### Disparate Treatment

RightStar also complains that DCMA treated it and SunView unequally by allowing SunView to bundle the analytics reporting tool and associated maintenance sub-CLINs with the service desk suite sub-CLIN, while rejecting RightStar's quotation for bundling remote installation services with on-site installation services. RightStar's Comments at 1. DCMA responds that SunView clearly identified and explained what items were bundled, whereas RightStar did not explain that the remote installation services were bundled into another sub-CLIN. Supp. AR at 2-3.

The record does not show that DCMA treated the two firms disparately. SunView indicated on its final pricing schedule that, for the base year and each option year, the analytics reporting tool and associated maintenance sub-CLINs were not separately priced, and additionally explained that the analytics reporting tool was built into the service desk suite. See AR, Tab S, SunView's Final Pricing Spreadsheet, at 2 and note. To the extent that SunView failed to price the analytics

reporting tool and associated maintenance separately from the service desk suite sub-CLIN, we conclude that this action does not constitute a material deviation from the solicitation requirements. In essence, SunView provided complete pricing for the base year and each option year, whereas RightStar did not provide complete pricing for the option years. As discussed above, with respect to the remote installation services sub-CLINs, while RightStar had provided pricing for the base year, RightStar had informed the agency that those sub-CLINs did not apply in the option years. RightStar's communications with DCMA did not suggest that the sub-CLINs were bundled into the on-site installation sub-CLIN for the option years; rather, RightStar's responses to DCMA additionally stated that upgrades and customization for the remote sites--not remote installation--were included in the option years for the on-site installation sub-CLIN.

#### Pricing Schedule

RightStar also complains that the pricing schedule was confusing and that DCMA's identification of higher estimated quantities in the base year and first option year for some CLINs led it to believe that the agency would purchase everything in the base year. Protest at 2. This argument has no merit. The RFQ informed vendors that the estimated quantities were for evaluation purposes only. RFQ at 31. Moreover, the sub-CLINs, for which RightStar failed to provide option year pricing, identified an estimated quantity of 1 unit in the base year and in each option year.

RightStar also complains that DCMA's approach for evaluating the proposed software pricing was "nonsensical and misleading." RightStar's Comments at 3. In this regard, RightStar argues, for example, that pricing spreadsheets indicating the purchase of one service desk suite for each year of the BPA was illogical because the agency would only order the item once. This post-award protest ground is untimely. Under our Bid Protest Regulations, a protest of alleged apparent solicitation improprieties must be filed prior to the closing date for receipt of quotations. 4 C.F.R. § 21.2(a)(1). Moreover, this argument underscores the protester's lack of understanding with respect to BPAs, which do not obligate the agency to make any purchases in any given year.

The protest is denied.

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